

Rep. Gustafson: Introduces legislation for tax exemption on overtime hours and bonuses

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Madison, WI – Today, Rep. Nate Gustafson (R-Fox Crossing), Sen. Patrick Testin

(R-Stevens Point), Rep. Chanz Green (R-Grand View), and Sen. Julian Bradley (R-Franklin), unveiled a bill proposing the tax exemption of overtime hours and all bonuses up to \$2,500.

This bill creates an individual income tax exemption for hourly wages received by an employee for work performed in excess of 40 hours for a single employer in any week during the taxable year. The bill also creates an individual income tax exemption of up to \$2,500 for each taxable year for bonuses received by an employee for work performed for an employer.

“Throughout the pandemic, hourly workers shouldered the workforce shortage, undertaking numerous overtime shifts to sustain our economy,” said Rep. Gustafson. “It’s long overdue that these hardworking Wisconsinites, including our truckers, grocery store clerks, factory workers, and nurses, get to keep more of their hard-earned money.”

This year, Alabama enacted similar legislation into law that eliminated income tax on overtime wages. This bipartisan legislation passed the Alabama 30-0 and the Alabama House of Representatives 103-0.

The legislation is currently circulating for cosponsorship by other legislators.