

Senator Cabral-Guevara: Introduces middle class tax cut proposal

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MADISON, WIS. — Today, Senator Rachael Cabral-Guevara (R-Appleton) and Representative David Steffen (R-Green Bay) introduced a proposal to cut taxes for Wisconsin's middle class.

"Wisconsin's tax climate is becoming more and more of an outlier in the Midwest. Michigan, Indiana, and Illinois all have flat income tax rates. Iowa is moving towards that model. We can and must do better for families, workers, and retirees," said Sen. Cabral-Guevara. "We're determined to make Wisconsin the best place to work, live, and raise a family."

The proposal would save the average Wisconsin taxpayer over \$750 every year by reducing the middle class tax bracket. Under the new rate, families filing jointly who earn between \$18,420 and \$405,550 would be taxed at 4.4%.

"This simply allows hardworking families to keep more of the money they earn," stated Cabral-Guevara. "The state government in Madison has stockpiled billions of dollars that belong to the people of our state, it's time that money go back into the pockets of the folks who worked tooth and nail for it."

The proposal also makes more retirement income for individuals tax-free. Funds withdrawn from an IRA, 401(k) and other retirement savings accounts or pensions are still subject to Wisconsin income tax. Under the plan, up to a maximum of \$100,000 a year for individuals and \$150,000 for joint filers would be tax free.

"The retired parents and grandparents in our state deserve to keep the money they've squirreled away throughout their career," noted Cabral-Guevara. "Punishing them for staying near their family in Wisconsin once they retire isn't the way to

treat our seniors.”

Combined, these two reforms are estimated to deliver over \$2.9 billion in tax relief.

“As I’ve said in the past, I trust hardworking Wisconsinites to spend their money more wisely than the government,” said Sen. Cabral-Guevara.