

WMC survey finds support for reducing individual income tax

Posted on Thursday, Jan 26, 2023

A recent survey from Wisconsin Manufacturers & Commerce found strong support among business leaders for reducing the state's individual income tax.

The group's latest Wisconsin Employer Survey, conducted online with 164 employers, found 89 percent support "significantly reducing and flattening" Wisconsin's individual income tax. Of that number, 62 percent said they strongly support this change while 27 percent somewhat support it.

Just 4 percent oppose the move, with 1 percent strongly opposed and 3 percent somewhat opposed. And 7 percent of respondents said they're unsure about the issue.

In its report on the survey results, WMC notes more than 90 percent of businesses in the state are designated as pass-through entities, and therefore pay the individual income tax instead of corporate income tax.

"This type of policy change would allow companies to invest more in capital projects, higher wages for workers and charitable donations within their communities," report authors wrote.

Meanwhile, 66 percent said the top public policy issue facing Wisconsin is the labor shortage, or a lack of qualified applicants. Other top issues included education quality, high taxes, excessive regulation and health care costs, though none garnered more than 7 percent of respondents.

When asked to choose the one thing the state government could do to improve Wisconsin's business climate, 34 percent of respondents said reduce taxes. Other top choices were: making health care more affordable, with 17 percent; reduce/reform regulations, 15 percent; and education reform, 14 percent.

WMC Executive Vice President of Government Relations Scott Manley says "it is a fact" that people are leaving states with higher taxes for those with lower tax

burden.

“In order to attract and retain talented workers, Wisconsin cannot continue to be a high-tax state,” he said in the report. “We now have a tremendous opportunity to significantly lower the tax burden and move the Badger State toward a flat tax.”

See more survey results:

https://media.wmc.org/wp-content/uploads/2023/01/25103851/CEO-Survey-Report_Winter-2023_PUBLIC-POLICY-1.pdf

See the release:

<https://www.wmc.org/press-releases/survey-businesses-rate-tax-reform-as-top-public-policy-objective/>

-By Alex Moe