

# Sen. Hutton. Bill eliminating overtime tax headed to governor

Posted on Tuesday, Mar 17, 2026

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

MADISON - Legislation authored by State Senator Rob Hutton (R-Brookfield) and Rep. Paul Melotik (R-Grafton) to eliminate Wisconsin's income tax on overtime earnings passed the State Senate on Tuesday with bipartisan support and will now be sent to the Governor.

[Assembly Bill 461](#) creates a state income-tax subtraction for overtime pay so that earnings over the normal rate of pay according to the federal Fair Labor Standards Act are not taxed. The bill saves Wisconsin taxpayers approximately \$150 million each year.

"When Wisconsinites step up to take on extra shifts and keep our communities running, they shouldn't be penalized by the tax code. This legislation ensures workers can keep more of what they earn while also supporting employers across industries, from manufacturing and health care to public safety and hospitality," **Hutton said.**

Under the legislation, overtime pay reported on required wage statements will be eligible for a state tax subtraction at tax time. Like the federal provision, the bill includes reasonable income limits to focus relief on workers most likely to rely on overtime. It was written to conform to the Internal Revenue Code as amended last year under the One Big Beautiful Bill Act, minimizing conflicts between state and federal tax codes.

"Families need that money more than the government. This legislation is a practical step to returning the state's surplus to those who earned it and ensure Wisconsin citizens keep more of their hard-earned income," **Hutton said.**