



TIP McGUIRE

WISCONSIN STATE REPRESENTATIVE

FOR IMMEDIATE RELEASE

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Rep. McGuire Statement on Assembly Passage of Main Street Recovery Package and PPP Deductions

MADISON - Yesterday, the Wisconsin State Assembly passed Assembly Bill 2, enacting key provisions from the Main Street Recovery Package authored by Rep. Tip McGuire, as well as to allow deductions for expenses paid with PPP loan funds.

"I was proud to author the Main Street Recovery Package, and I could not be more pleased to see these important tax benefits for working families and small businesses pass the Assembly," said Rep. Tip McGuire.

The Main Street Recovery Package allows working families who lost income in 2020 due to reduced hours or lost employment due to COVID-19 to qualify for the earned income tax credit. This provision was included in Assembly Bill 2, so if Assembly Bill 2 is passed into law, working families will be able to use their 2019 earned income on their 2020 returns to help more Wisconsin families earn this important credit.

The Main Street Recovery Package also provides that grants issued by the state using CARES Act funds are not taxable as income by the State of Wisconsin. In a time when so many small businesses across the state are struggling, this change ensures that the essential help they received from programs like Gov. Evers' We're All In program do not come with a state tax bill. Assembly Bill 2 included these key economic development provisions of the Main Street Recovery Package to incorporate relief for small businesses. Assembly Bill 2 also ensure that grants from the Ethnic Minority Emergency Grant program, which was similarly instituted by Gov. Evers for COVID-19 relief but did not use CARES Act funds, are also not taxable.

Assembly Bill 2 also includes a provision allowing businesses to deduct expenses paid with PPP funds. Rep. McGuire authored an amendment capping these deductions at \$250,000, allowing the state to create a \$200M grant program to provide immediate relief for struggling

small businesses. While this cap was not included in the final product, Rep. McGuire supported the final bill to ensure that PPP deductions were available for local small businesses.

“Frankly, I was disappointed that the Assembly declined the opportunity to improve this plan, and give faster relief to the businesses that need it most. However, I am glad that at the very least, the small businesses in our communities that received PPP will getting a tax benefit in their time of need.”

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