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SEN. JACQUE'S TAX RELIEF FOR SMALL BUSINESSES PASSES SENATE *Proposed health insurance deduction included in broad state tax relief package*

MADISON...Tax relief for the self-employed and Wisconsin businesses hit hard by the pandemic could soon be on the way, thanks to legislation passed late yesterday by the state Senate in a 27-5 vote.

State Sen. André Jacques (R-De Pere) said the tax package includes relief for farms and small businesses to deduct health insurance costs from their income taxes, which he had introduced as separate legislation with Rep. Treig Pronschinske (2021 SB 42/AB 40 & 2019 SB 842/AB 875). The provision conforms to existing exemptions at the federal level and those already enjoyed by larger corporations.

"These tax provisions are important steps to help get jobs and our communities back on track after all this time," Sen. Jacques said. "Let's not wait until we go to another one of our favorite stores, taverns or restaurants and find they're gone – not to mention the toil of generations of families and workers that went into them."

Senators passed the Jacques initiative as part of broader legislation aimed at bringing state tax policies in line with federal tax law changes. The measure will also make sure that employer expenses paid by Paycheck Protection Program (PPP) loan funds will follow federal law and not be subject to state income taxation, thanks to an amendment co-authored by Sen. Jacques and six other Senators.

Sen. Jacques said it was unfair to penalize employers and their workers for a government pandemic response that shut down our economy and put too many of our friends and neighbors out of work through no fault of their own.

"Imposing the added burden of state taxation on PPP loan expenses would actually subvert the goal of the program, which is to keep workers employed," Sen Jacques said. "It would only further delay a desperately-needed recovery right in its tracks and prolong the suffering of workers."

The legislation now heads to Governor Evers, who also included the small business health insurance cost deduction in his budget proposal last night.

Senator André Jacques represents Northeast Wisconsin's First Senate District, consisting of Door and Kewaunee Counties and portions of Brown, Calumet, Manitowoc, and Outagamie counties.