



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

Capitol Update by Senator Howard Marklein June 18, 2021

Budget Bulletin - \$3.4 Billion Tax Cut, Two-Thirds School Funding, Extraordinary Investments in Healthcare

*\$2.5 Billion Income Tax Relief, \$200 Million Small Business Tax Relief
and \$650 Million Property Tax Relief; Funding directed to rural hospitals, nursing
homes, direct care providers and dentists*

It is a tremendous day for taxpayers. We received some very good news last week that we have a \$4.4 Billion budget surplus. The Joint Committee on Finance (JFC) action returned a chunk of it to the citizens while funding our priorities. We are sending a total tax cut of \$3.4 Billion back to the people of Wisconsin.

We are cutting your income taxes by \$2.5 billion and your property taxes by \$650 million. The average family will receive approximately \$1,200 in tax relief (\$900 income tax and \$300 property tax).

This tax cut also includes the elimination of an unfair tax on small businesses – the Personal Property Tax (PPT). Not only is this tax unfair – the cost of compliance is ridiculous. As a CPA, I am thrilled to take this burden off of small Main Street businesses. This tax cut will return \$200 million to small businesses on every one of our Main Streets throughout Wisconsin.

We cut all of these taxes while respecting our state's checkbook and growing the balance in the Rainy Day Fund to \$2 billion.

Several weeks ago, I was asked about the maintenance of effort (MOE) issue in this budget. The MOE issue, in this case, is a proportional requirement that the proportion of state spending allocated to K-12 and higher education in 2021-22 must be maintained at the same level as the state's average allocation in the 2016-17, 2017-18, and 2018-19 fiscal years as a condition of receiving Federal COVID funds. Because of the deluge of funding, the MOE is enormous.

At the time, I said the risk is manageable. And I was right. We have met our maintenance of effort obligations and have secured \$1.5 Billion in Federal funding for schools. We also reached a huge benchmark and have achieved two-thirds funding for schools!

Schools will receive \$2,900 per student more on the average; this is more than \$2,000 more than our last state budget. We dedicated \$128 Million for special education, mental health and other needs. We set aside \$350 Million for future educational needs.

We also made extraordinary investments in healthcare during an Executive Session of the committee on Tuesday, July 15, 2021. I led the charge to make strategic investments in rural hospitals, nursing homes, front-line healthcare workers and more.

Our healthcare providers have been on the front-lines this past year. In particular, our nursing homes have gone through hell. They took care of our most vulnerable citizens during a scary and unpredictable time. Nursing homes will see a 12% increase in our budget. We are investing in these front-line workers and the institutions that carried us through the COVID-19 pandemic. Direct Care and Personal Care workers will both receive a well-deserved increase.

We are also increasing Medicaid reimbursement rates for dentists, chiropractors and physical therapists who see Medicaid patients. Dental care, in particular, has been under-reimbursed for some time. We are increasing their rates by 40% to encourage more dentists to see Medicaid patients and answer the dental care crisis in Wisconsin.

Our actions made many strategic investments in Wisconsin healthcare without raising taxes and fees. We are funding our priorities and supporting the men, women and institutions that care for us.

The JFC completed our work on the State Budget and the bill will now be sent to both houses of the Legislature. I believe we will pass the bill by the end of June and will send the bill to the Governor. This is a good budget that makes strategic investments while respecting the taxpayer's checkbook. I am proud of our work on behalf of the people of Wisconsin.

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