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FOR IMMEDIATE RELEASE
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Rep. Gundrum Lauds Plan for Middle-Class Tax Cut

Madison – Rep. Rick Gundrum (R-Slinger) and Assembly Republicans announced a new initiative to deliver significant income tax relief to Wisconsin’s middle-class families. Using the budget surplus that has accrued over the last eight years, the proposal will deliver \$340 million in income tax relief.

Rep. Gundrum issued the following statement about the plan:

“I was not comfortable with Governor Evers’ proposed middle class tax cut, as I view an increase on the cost of doing business for Wisconsin farmers and manufacturers to be a non-starter. Many in our agricultural community are struggling to make ends meet, and adding taxes to our manufacturing industry would negatively impact job creation and reverse the economic progress we have been experiencing as a state.”

“By utilizing a portion of the state’s budget surplus, Assembly Republicans are giving Governor Evers the opportunity to deliver on his promise of tax relief for the middle class, while leaving a successful tax credit in place for manufacturers and farmers. Everyone wins under this scenario. Lowering the tax burden and encouraging economic growth should go hand-in-hand.”

In a study published in April 2017, UW-Madison Economist Noah Williams found that the Manufacturing and Agriculture Tax Credit (MAC) accounted for the creation of over 20,000 manufacturing jobs and over 42,000 total jobs in the three-year period following its implementation.¹ The proposed tax reductions are targeted to individual filers earning less than \$100,000 and families earning \$150,000 or less. In an analysis conducted by the non-partisan Legislative Fiscal Bureau, the median income family filing jointly is projected to experience a \$310 reduction in their net tax burden.

In a meeting between Governor Evers and legislative Republicans held earlier this week, the proposed income tax cut served as a key point of discussion. Along the campaign trail, Mr. Evers touted a plan that also sought to deliver \$340 million in tax relief for middle-class families. However, his proposal would have severely curtailed the MAC as a means to accomplishing the tax cut. The Assembly GOP plan will lower taxes for working families without shifting the burden onto two of our state’s most important industries.

Assembly Republicans will be working with the Senate to put the finishing touches on the proposal, which could be introduced as formal legislation as early as next week. Once approved, the tax cut would go into effect in 2020.

¹ Williams, Noah (2017). The Impact of the Manufacturing and Agriculture Credit in Wisconsin. *Center for Research On the Wisconsin Economy*, Retrieved from <https://www.ssc.wisc.edu/~nwilliam/MAC.pdf>