



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

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Rep. Kitchens supports Assembly's surplus plan

MADISON, Wis. – Rep. Joel Kitchens (R-Sturgeon Bay) is proud to be putting his support behind the Wisconsin State Assembly's proposal to use a portion of the state's projected budget surplus to pay down debt and cut taxes.

“Shortly after the surplus was announced, I asked my constituents on social media for their feedback on what we should do with the money, and, as you could imagine, there was no shortage of different ideas,” Rep. Kitchens said. “As a state Legislature, we believe the most responsible thing to do is reduce our debt and return the surplus back to the taxpayers who were charged more than what our state actually needed.”

According to the nonpartisan Legislative Fiscal Bureau, tax collections for this biennium are currently exceeding expectations by \$818 million. By law, the state is required to transfer 50 percent of any surplus into the Budget Stabilization Fund. With the addition of these dollars, the “rainy day account” would sit at nearly \$950 million, by far the largest amount in state history. Back in 2010, the state only had \$1.7 million set aside for fiscal emergencies.

When taking into account the rainy day fund payment and other additional revenue, the Legislative Fiscal Bureau says the state will have an estimated general fund balance of \$620 million at the end of the current two-year budget cycle.

The plan being proposed by the state Assembly would put \$250 million toward the reduction of middle-class income taxes by changing the standard deduction tables. Roughly \$45 million would go to decrease personal property taxes and \$100 million would be used to pay off debt. The tax cuts would start in the 2020 tax year and the average income tax filer would see a \$105 tax reduction.

Thanks in part to fiscally-responsible budgeting and increases in corporate revenue, the state Legislature has returned a surplus back to taxpayers three times since 2013. According to the Wisconsin Policy Forum, the tax burden for Wisconsin families is at its lowest level in almost 50 years.

“When taxpayers are being forced to overpay, the only fair thing to do is pay them back,” Rep. Kitchens said. “After all, it is their money.”

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