



WISCONSIN LEGISLATURE

P.O. BOX 8952 • MADISON, WI 53708

FOR IMMEDIATE RELEASE

July 17, 2023

CONTACT:

Rep. David Steffen (608)237-9104

Sen. Rachael Cabral-Guevara (608)266-0718

State Legislators Introduce Tax-Free Retirement Proposal

Madison, WI – State Representative David Steffen (R – Howard) and State Senator Rachael Cabral-Guevara (R – Appleton) introduced legislation to create tax-free retirement in Wisconsin.

The bill would exempt the first \$100,000 of retirement income for individuals age 67 or older and the first \$150,000 for married-joint filers. Currently, nine other states do not tax income earnings at all, and a handful of states including Illinois, Mississippi, Pennsylvania and Iowa explicitly do not tax retirement income such as IRAs, 401(k) plans and pensions. By joining with these states, Wisconsin will be better poised to attract new employees and retain retirees.

“When our residents reach retirement age, they are faced with the impossible decision—do I stay in my home state with all the relationships and connections I’ve spent a lifetime building, or do I relocate to another state where I can afford to live out the retirement I’ve worked so hard for? They shouldn’t have to choose. The bottom line is, we know the value our retirees bring to our families, communities and economy,” said Rep. Steffen.

Under current Wisconsin law, certain retirement income such as Social Security and military earnings are already exempt from income tax. These existing exemptions would not count toward a retiree’s tax-sheltered income under this bill. After evaluating a similar proposal, the Legislative Fiscal Bureau estimated that such an exemption would almost entirely eliminate the income tax burden for Wisconsin retirees.

“Retirement income and savings is something that impacts folks for years after they retire. This is then reflected by how much people spend at restaurants, on housing, and in their community,” said Sen. Cabral-Guevara. “By keeping these retirees in Wisconsin, we will see an economic benefit. As I’ve said in the past, I trust hardworking Wisconsinites to spend their money more wisely than the government.”

This bill is currently being circulated for co-sponsorship support and will likely receive a public hearing this fall.

For more information please contact the offices of Representative Steffen or Senator Cabral-Guevara.

###