



DAVID STEFFEN

STATE REPRESENTATIVE • 4TH ASSEMBLY DISTRICT

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CONTACT:
Rep. David Steffen (608)237-9104

Assembly Passes Tax-Free Retirement

Bipartisan bill delivers financial relief for seniors

Madison, WI – Today, the Wisconsin State Assembly passed a proposal to create a tax-free retirement in Wisconsin. State Representative David Steffen (R – Howard) and State Senator Rachael Cabral-Guevara (R – Appleton) authored the bill, which will exempt retirement income earnings from state tax.

The legislation will exempt \$75,000 of retirement income for single filers and \$150,000 for married-joint filers from being subject to state income tax. Currently, 13 states, including neighboring Illinois and Iowa, do not tax retirement earnings.

“Today’s vote was a win for Wisconsin’s current and future retirees. We know the devastating impact that record high inflation has had on our fixed income seniors. We also know how invaluable our retirees are to our communities and our economy. Rather than continuing to overtax our residents by billions of dollars, this legislation reduces the tax burden to help keep Wisconsin retirees right here in Wisconsin,” said Rep. Steffen.

Under this proposal, qualified tax filers (Wisconsin residents age 65 and older who receive retirement income) would save an average of \$1,582 each year. This savings is in addition to any retirement income that is already tax exempt, such as Social Security.

The state’s unprecedented multi-billion dollar budget surplus puts Wisconsin in a position to sustainably deliver this historic tax cut. The bill previously passed the Joint Committee on Finance.

“I urge Governor Evers to sign this legislation when it reaches his desk. Our retirees are critical to Wisconsin and we need to help make our state a more affordable place to retire,” said Rep. Steffen.

For more information, please contact the office of Representative Steffen at Rep.Steffen@legis.wisconsin.gov.

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