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# PAUL TITTL

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STATE REPRESENTATIVE • 25<sup>TH</sup> ASSEMBLY DISTRICT

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## **Rep. Tittl Votes to Protect Businesses, Keep Wisconsinites Employed**

**Madison, WI...**Rep. Paul Tittl (R-Manitowoc) voted to ensure that businesses in Wisconsin won't face a \$431 million state tax for accepting a forgivable Paycheck Protection Program (PPP) loan. As many are aware, last year, the federal government passed the CARES Act to help businesses stay open and keep people employed during the government restrictions due to the Coronavirus pandemic, the PPP loans were part of that legislation.

"For nearly a year, Wisconsin businesses have struggled, and now is not the time to burden them with unforeseen taxes," Rep. Tittl said. "PPP loans were intended to help save jobs and livelihoods for both business owners and employees during this unprecedented government shutdown."

There were two rounds of federal PPP loans. Initially, the IRS determined that since the loans were not taxable income. Therefore, the payments made using those funds were not tax-deductible. The second round of PPP loans was considered income under state level, which allowed deductions for business expenses. The United States Congress then approved the Consolidated Appropriations Act of 2021, which permitted loan recipients for both rounds of PPP loans to exclude the loan amount from their taxable incomes and permitted businesses to deduct qualified expenses. The legislation approved in the Assembly mirrors the federal level changes to align Wisconsin with federal law and simplify the tax code.

"We have seen far too many people out of jobs and too many businesses closing their doors due to the pandemic," stated Tittl. "Allowing businesses to deduct expenditures made with PPP funds could mean the difference between staying open or closing." Rep Tittl shared, "This bill will put Wisconsinites in a much stronger position as we try to recover from the effects of the pandemic."

The tax change for businesses was part of a larger package of initiatives to modernize the state tax code and Department of Revenue operations. The legislation passed in the Assembly with immense bipartisan support in a vote of 87 to 3. The legislation is expected to pass in the Senate and head to the governor's desk for his approval.

*The 25th Assembly District includes portions of Calumet and Manitowoc Counties.*

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