



CALVIN CALLAHAN

STATE REPRESENTATIVE • ASSEMBLY DISTRICT 35

(608) 266-7694
Toll-Free (888) 534-0035

Rep.Callahan@legis.wi.gov
P.O. Box 8952
Madison, WI 53708-8952

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Contact: Rep. Calvin Callahan

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(608) 266-7694

Rep. Callahan Votes to Protect Wisconsin Businesses

[Madison, WI] – During yesterday’s Assembly floor session, Rep. Calvin Callahan (R-Tomahawk) helped to ensure that businesses in the 35th Assembly District and around the state will not be faced with a \$431 million state tax because they accepted a forgivable Paycheck Protection Program (PPP) loan. As a part of the federal CARES Act legislation, signed into law last year by President Trump, the intent of these loans was to help businesses keep their doors open, while maintaining Wisconsinites’ employment.

“Business owners throughout the 35th have been struggling during the course of this pandemic,” said Rep. Callahan. “They do not need to be burdened with more unexpected taxes.”

Within the first round of federal PPP loans, the IRS determined that since the loans were not taxed as income, payments made using those funds were not tax deductible. The second round was considered income under the state level and deductions for business expenses were allowed. When Congress approved the Consolidated Appropriations Act of 2021, loan recipients for both rounds of PPP loans were allowed to exclude the loan amount from their taxable incomes and businesses were permitted to deduct qualified expenses. Today’s legislation mirrors these federal changes, moves Wisconsin into alignment with federal law, and simplifies the tax code.

“I have been hearing concerns on this issue from business owners in the district for a while now,” stated Rep. Callahan. “These are good, hardworking folks, and this law will help put them in a stronger position moving forward.”

The tax change for businesses was part of a larger package of initiatives to modernize the state tax code and Department of Revenue operations.

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The 35th Assembly District includes all of Lincoln County and portions of Langlade, Marathon, Oneida, and Shawano Counties.