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Statement of Representative Jerry O'Connor on Governor's Latest Tax Vetoes

MADISON - Representative Jerry O'Connor (R- Fond du Lac) released the following statement on Gov. Evers' latest vetoes of the Legislative Republicans' middle-class tax cuts:

"How disingenuous of the Governor to veto another round of tax cuts for Wisconsin's Middle Class and senior citizens. The tax cut proposals presented by the legislature conform to the parameters the Governor laid out for tax cuts. Yet, once again he turns his back on our middle class and seniors."

Consider Evers' statement on his vetoes: *"When we deliver tax relief for the people of Wisconsin — just as we have — it should be real relief aimed at helping Wisconsin's working families afford rising costs, and it should be responsible and sustainable, ensuring we can keep taxes low now and into the future without causing devastating cuts to priorities like public schools and public safety down the road,"*

The Governor proposed an increase in spending for his 2023-2025 state budget to a total of \$103.8 billion, which would have used up the entire budget surplus. Republicans pared his budget down to \$98.6 billion. And now with his latest vetoes, we ask where is the tax relief he refers to in his statement?

In January Republicans presented a \$2.1 billion 'Returning Your Surplus' tax cut package, which included a Middle-Class tax cut of \$454 per filer, a Marriage Credit Expansion of \$870, a Child & Dependent Tax Credit of \$656 per filer, and a Retirement Income Exemption \$1,582 per filer, demonstrating our commitment to return the state's surplus to its rightful owners: you.

To get a perspective of the impacts of inflation on families exacerbated by liberal leadership in D.C. and Madison, we find a Moody Analytics study from last August stating, *"The typical American household spent \$709 more in July (of 2023) than they did two years ago to buy the same goods and services."* Please explain, how is it that our families are supposed to absorb more than \$8,400 per year in increased living expenses.

Wisconsin's middle-class bracket under the legislature's proposal would be a family income between \$36,840 and \$150,000. At a proposed reduction from 5.30% to a 4.4% tax rate, this bracket is still one of the highest middle-class tax brackets in the country. Yet the Governor does not see the value of these tax-cut proposals.

When we consider seniors on Social Security or fixed incomes, they need relief from spiraling costs. Many senior citizens at all income levels are leaving Wisconsin to no or low-income tax states. Our proposal to exempt the first \$150,000 of retirement income would help retain the many attributes our senior citizens add to Wisconsin's social fabric.

Where does a budget surplus come from? From the over-collection of taxes. Normally when you are over-charged for goods and services, you are entitled to a refund. With a projected \$3.25 billion surplus and a rainy day fund of \$1.8 billion, Wisconsin can afford a tax reduction of \$2.1 billion. Apparently, we also need a Governor who sees the needs of our citizens and uses the resources right in front of him to bring much-needed relief."

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