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Republicans Reject Final Opportunity to Provide a Tax Break for Unemployment Recipients

(MADISON)—Today, Senator Tim Carpenter (D-Milwaukee) issued the following statement regarding actions taken on the floor of the State Senate yesterday against providing a temporary state income tax break on up to \$10,200 of unemployment compensation benefits:

“Yesterday, the Wisconsin State Senate Republicans turned their backs on the Wisconsinites who had lost work through no fault of their own by refusing to provide a temporary tax break on up to \$10,200 of unemployment compensation benefits received in 2020 and 2021, similar to what Congress and President Biden have provided at the federal level. This was the last chance that we had before the extended income tax filing deadline on May 17th to provide this to those of our neighbors who lost their work through no fault of their own during the pandemic.

“In February, my colleagues wasted very little time in providing a tax break to the businesses who relied upon loans and grants from the federal government to weather the economic effects of COVID-19, which was also done to mirror the actions of Congress and the President. That action reduced state revenues by approximately \$500 million over four years. I first proposed that we provide a similar tax break for employees who lost work through no fault of their own as an amendment to that bill which provided a blanket tax exemption on the PPP loans that businesses received.

“The legislation to provide something similar to individuals who lost their source of income was estimated by the Legislative Fiscal Bureau and Department of Revenue to cost the state less than \$121 million in each year, and would have provided an estimated average return to the recipients between \$250 and \$500 in addition to reducing their overall state income tax burden by \$10,200, possibly helping them become eligible for additional tax credits.

“Although I am grateful to my Republican colleagues serving on the Senate Committee on Labor and Regulatory Reform for holding a public hearing on this policy and voting to recommend it for passage by the Senate, I do not understand how yesterday they chose to vote against this legislation which they approved of only one week ago.

“Having heard from hundreds of workers in the 3rd Senate District who have found themselves in the most difficult financial circumstances of their lives and knowing that this is happening to workers all across our state, I am sickened by the double standard that Wisconsin Republicans impose on workers compared to businesses.

“I now have asked three times on the floor of the Senate that we provide a similar benefit to the workers who have been laid off as we have provided to businesses that faced economic hardship from the pandemic. Three times Republicans have turned their backs on those Wisconsinites who have faced devastating economic circumstances as a result of COVID.”

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