

Tax Cuts and Tax Hikes in Gov. Tony Evers' 2019-21 Budget Proposal

| Tax Cuts and Increases (in millions) | | | |
|---|---|----------------|------------------|
| | FY20 | FY21 | Biennium |
| <u>General Fund Tax Cuts</u> | | | |
| FAIR Credit | \$421.5 | \$412.0 | \$833.5 |
| EITC Expansion | \$26.4 | \$26.7 | \$53.1 |
| Homestead Reforms | \$0.0 | \$38.9 | \$38.9 |
| All Others | \$0.0 | \$25.9 | \$25.9 |
| <i>General Fund Tax Cuts Subtotal</i> | \$447.9 | \$503.5 | \$951.4 |
| <u>General Fund Tax Increases</u> | | | |
| Manufacturing Credit Tax Increase | \$279.5 | \$237.1 | \$516.6 |
| Capital Gains Exclusion Tax Increase | \$285.1 | \$220.0 | \$505.1 |
| IRS Code Update | \$187.9 | \$174.5 | \$362.4 |
| Sales & Use Tax Enforcement | \$26.8 | \$67.1 | \$93.9 |
| Increase to Other Income Tax Rates | ??? - total tax increase unknown | | |
| Private School Tuition Deduction Repeal | \$12.1 | \$12.2 | \$24.3 |
| E-Cigarette Taxation | \$14.9 | \$19.8 | \$34.7 |
| All Others | \$42.7 | \$60.5 | \$103.2 |
| <i>General Fund Tax Increases Subtotal</i> | \$849.0 | \$791.2 | \$1,640.2 |
| <u>Transportation Fund Tax Increases</u> | | | |
| Gas Tax Increase | <i>For transportation tax increases, no breakdown between fiscal years is given, only a total for the biennium.</i> | | \$264.0 |
| Gas Tax Indexing | | | \$42.0 |
| Heavy Truck Registration Fee Increase | | | \$36.0 |
| Title Fee Increase | | | \$36.0 |
| Hybrid Vehicle Fee | | | \$9.7 |
| <i>Transportation Fund Tax Increases Subtotal</i> | | | \$387.7 |
| Other Tax Increases | | | |
| <u>Erosion of Property Tax Controls</u> | | | |
| <i>Average property tax increases on the median-valued home</i> | | | |
| 2% County & Municipal Property Tax Levy Limit Increase | \$56.0 | \$56.0 | \$112.0 |
| Property Tax Increase for K-12 Education* | ??? - total property tax increase unknown | | |
| 2% Levy Increase for Technical Colleges* | ??? - total property tax increase unknown | | |
| School Levy Tax Credit Elimination | \$287.0 | \$287.0 | \$574.0 |
| First Dollar Tax Credit Elimination | \$66.0 | \$66.0 | \$132.0 |
| Business Property Taxes Based on Income vs. Property Value* | ??? - property tax increase unknown | | |
| | \$818 minimum increase to property tax bill on median-value home in the biennium between three sources | | |
| Carbon Free by 2050** | ??? - total tax increase unknown | | |



Source: 2019-21
Budget In Brief, LFB
Informational Paper 13

*Provisions that increase school district revenue limit authority, allow technical college districts to raise levy limits, and change the taxation for big businesses would increase property taxes statewide by an indeterminate amount. We believe the minimum increase presented here is an *absolute minimum.* The average property tax increase is likely to be much, much more.

**No fiscal note is attached to this provision, but unless Gov. Evers plans on authorizing a new nuclear plant immediately, current energy production capacities would be nowhere near enough to end carbon-based electricity. This is a large tax increase of an unknown amount.