

How to Turn a Surplus into a Deficit

Written by Jeff Smith, State Senator District 31
Wednesday, 05 July 2023 09:43 -

<http://newiproggressive.com/images/stories/S5/wisconsin-senate-s450.jpg>



Last week, Republican members of the Wisconsin Legislature passed a budget that blows a massive hole in our state's future budgets while including a tax giveaway for the wealthy.

MADISON - There are many ways to view the budget approved by the Republican majority last week: lost possibilities, squandered opportunities, tax breaks for the rich ... take your pick.

Going into this spring I was genuinely excited by the possibilities before us. With a projected surplus totaling nearly \$7 billion, we could have tackled challenges we weren't financially able to in the past.

Democrats and Republicans agreed on raising shared revenue for all municipalities in a separate bill the week before, funded in the budget. Unfortunately there's not much else to celebrate.

Republicans dominate the Joint Finance Committee (JFC) with 12 members compared to 4 Democratic members. The JFC controls what's in the budget they send to the full Legislature for a vote. (A big thanks to those 4 members who valiantly argued for common-sense measures for working families.)

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Knowing we had a record surplus to start with there were so many opportunities.



We could have invested in the Child Care Counts program, which buoyed the child care centers that parents depend on to nurture their children's development and allow parents to work. Governor Evers proposed \$340 million to keep funding Child Care Counts, but Republicans zeroed it out, telling working parents and child care providers alike that they would rather give tax breaks to the rich than invest in our kids and keep parents working.

Those fortunate enough to live near our western border can escape to Minnesota via the \$400 million bridge funded in this budget. Let's just hope those people come back.



There are plenty of reasons to cross that bridge. Minnesota recently repealed marijuana prohibition (another measure Republicans struck from Governor Evers' budget). In the past year Minnesota also joined 15 other states with a paid family leave program like the one Governor Evers included in his budget.

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We could have started a Paid Family Leave using a portion of the surplus. Future funding would come from a payroll deduction and become self-sustaining in just a couple years. Similar to Workers' Compensation, it would have been insurance available in case of an unexpected illness or while caring for a family member. But JFC Republicans removed this provision as well.



For twenty-plus years we've heard the excuse that we couldn't make public school funding equitable because we didn't have the funds to lift the low-revenue districts to match high-revenue districts. We have the funds now, but instead of fixing the formula that has drained our public schools for 30 years, Republicans are celebrating funneling more funding into private voucher schools.

The biggest tax cut in state history will go toward padding the bank accounts of the very wealthiest Wisconsinites. If their plan survives the veto pen, Republicans get significantly closer to the flat tax scheme their wealthy friends are drooling about.



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This tax cut reduced the number of tax brackets from four to three. The lowest rate (single workers earning less than \$13,810) would be 3.50%, down from 3.54%. The middle two brackets (4.65% and 5.30%) will be combined (\$13,810 to \$304,170) and dropped to 4.40%, while anyone making over \$304,170 will drop from 7.65% to 6.50%. Republicans call this a 15% drop for high-end earners and 17% for everyone else.

To put it another way, if you earn \$30,000 to \$40,000 a year you pay \$32 less in taxes. If you earn \$50,000 to \$60,000 a year you pay \$165 less. If you earn over \$1,000,000 in a year you pay an average of \$30,286 less.

This tax scheme blows a \$2.471 billion hole in future budgets while failing to use that record \$6.9 billion surplus for the benefit of all Badgers. Will you be able to use your \$30 or even \$200 to fix your road? Will that tax break they're giving you change your life or even pay for one week of child care?

We could have done so much more if Republicans worked with the Governor. Republicans did the worst thing they could possibly do – they threw away opportunities and turned our hard-earned surplus into a deficit.

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Senator Smith represents District 31 in the Wisconsin State Senate. The 31st Senate District includes all of Buffalo, Pepin and Trempealeau counties and portions of Pierce, Dunn, Eau Claire, Jackson and St. Croix counties.