



As inflation hits 40-year high, governor pushes plan in State of the State address to refund surplus to Wisconsin taxpayers.

MADISON — During his 2022 State of the State address Tuesday night, Gov. Tony Evers announced he will be signing an executive order calling the Legislature to meet in a special session to take up his plan to use a portion of the state's \$3.8 billion projected surplus to send a \$150 surplus refund to every Wisconsin resident, provide targeted relief for childcare and caregiver costs, and invest in education while holding the line on property taxes.

The nonpartisan Legislative Fiscal Bureau (LFB) recently [released](#) new projections indicating the state general fund balance will have a \$3.8 billion surplus at the end of the 2021-23 biennium—nearly \$2.9 billion more than was expected in June 2021. Additionally, the state currently has the highest-ever positive GAAP balance in state history at more than \$1.1 billion while the state's 'rainy day' fund sits at the highest level ever at \$1.7 billion. Meanwhile, Wisconsin's unemployment rate is currently 2.8 percent—the lowest in state history—while the state currently has the fewest number of people who are unemployed ever

. The governor's announcement comes as a report released [last week](#)

showed national inflation is the highest it has been in four decades. Working Wisconsinites and businesses are concerned about the rising costs at gas pumps and in grocery store aisles as industries also face challenges getting supplies and resources.

Gov. Evers [unveiled his surplus plan](#) last month to use a portion of the surplus funds to address rising costs facing Wisconsin families while defraying costs for caregiving and childcare that present barriers to employment. Legislative Republicans

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[indicated](#)

they have no immediate plans to use the windfall prior to the next biennial budget that will likely not be passed until summer 2023.



“While the economy has reopened and demand has surged, some corporations have taken advantage—they’ve squeezed consumers for every extra penny, raising everyday costs for folks in Wisconsin and across our country,” said Gov. Evers during his address. “And now, small businesses and working Wisconsinites and families are concerned about the rising costs at gas pumps and in grocery store aisles. And businesses face challenges getting supplies and resources.

“I’ve already heard there are some who want to wait to get this done until the next budget,” Gov. Evers continued. “That’s not going to help Wisconsinites buy groceries today. It won’t help Wisconsinites pay for gas today. It won’t help Wisconsinites pay for childcare, heat their homes, or put food on their table today.

“This is the people’s money. Let’s get it back to them,” Gov. Evers concluded. “There’s no reason we can’t do this, and the rising costs Wisconsinites are seeing every day are every reason that we should. So, let’s find common ground, let’s pass this plan, and let’s get this done. It’s just the right thing to do, folks.”

Gov. Evers’ plan includes sending every Wisconsin resident \$150 to help address rising costs Wisconsin families are experiencing and as businesses face challenges getting supplies and resources. Every Wisconsinite will be able to receive the full surplus refund, including for each of their dependents. A family of four, for example, would receive \$600 under the governor’s proposal. Most Wisconsinites would have to take no action to receive the refund, which would be distributed through information provided by an individual on their tax returns. For those who do not plan to file an income tax return, including those who receive Social Security benefits, the Department of Revenue will set up an online portal through which they may file claims for the refund.

In addition to measures aimed at addressing rising costs, Gov. Evers’ plan also includes additional provisions aimed at reducing the costs for childcare and caregiving—key proposals to help support Wisconsin’s workforce and address barriers to employment. Gov. Evers’ plan proposes expanding the newly created Child and Dependent Care Credit from 50 percent of

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the federal credit to 100 percent. This will provide nearly \$30 million in tax relief to 107,000 Wisconsinites who claim the federal credit, or about \$274 per filer. Most people who are eligible for the credit could receive up to \$600 if they are claiming it for one qualifying individual's expenses or \$1200 for two or more qualifying individuals' expenses. Additionally, Gov. Evers is proposing to create an income tax credit for qualified expenses incurred by a family caregiver. A majority of Wisconsinites are in income ranges to be eligible for the credit, and most filers will receive up to \$500, while married-separate filers will receive up to \$250. The governor's plan would provide an estimated more than \$100 million in tax relief to Wisconsinites who are experiencing increased costs and expenses caring for a family member. The governor originally proposed creating the Caregiver Tax Credit in his 2021-23 biennial budget, but the move was rejected by Republicans in the Legislature.

The governor's plan also invests nearly \$750 million into education at every level to continue improving school quality and address the state's achievement gap while providing \$188 million in property tax relief. Gov. Evers' plan ensures the state [meets federal requirements](#) and preserves more than \$2.3 billion in federal aid for Wisconsin's kids and schools—funds that have previously

[been jeopardized](#)

based on the Legislature's failure to meaningfully invest in education through the biennial budget process. In addition to releasing revenue projections this week, the LFB

[released](#)

a separate memo indicating the state is projected to fail to meet federal requirements for K-12 education funding in fiscal year 2022-23, again putting the state at risk of losing billions in federal funds for schools.

Gov. Evers had previously called a special session of the Legislature to provide more than \$400 million for K-12 education and more than \$100 million for higher education to meaningfully fund education at every level and ensure the state would not be in a position where federal school aids could again be jeopardized. Republicans in the Legislature rejected the opportunity to make further investments in Wisconsin kids and gaveled out of the special session without consideration or debate.

Gov. Evers intends to execute the forthcoming executive order tomorrow, Wed., Feb. 16, 2022.