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## **SEN. JACQUE CALLS ON BUDGET PANEL TO MAKE MILITARY SERVICE LESS TAXING**

*Portion of projected budget surplus should end state taxation of residents' active duty military pay*

MADISON...With Wisconsin's projected budget surplus ballooning to \$5.7 billion at the end of fiscal year 2023, income tax relief for Wisconsin's active duty military members should be a top priority for the next state budget, State Sen. André Jacque (R-De Pere) said today.

"Making military service less taxing is another way for us to honor the service of those who put their lives on the line to defend the freedoms that built this economy and generated this budget surplus," Sen. Jacque said. "There is no fiscal reason that our Wisconsin armed service members deployed out of state should have a tax bill as their primary reward back home."

Sen. Jacque has co-authored legislation exempting active-duty military pay from state taxation, ([Senate Bill 43](#)), which unanimously passed the Senate Committee on Financial Institutions and Revenue earlier this year. In addition to benefiting service members, Sen. Jacque said the policy change would increase Wisconsin's ability to retain and recruit trained military personnel for Wisconsin's workforce.

"Many native Wisconsin service members change their legal addresses outside the state just to avoid being taxed while on active duty, and they never return," Sen. Jacque said. "I look forward to working with my legislative colleagues to transform the state tax code and bring service members back to Wisconsin's civilian workforce, instead of losing these valuable assets to other states."

Sen. Jacque said that while Wisconsin does not tax retirement income from the U.S. military, it is still in the minority of states that generally taxes active duty military pay for residents, even if they are stationed out of state or even overseas. Our neighboring states of Illinois, Michigan, Iowa and Minnesota do not collect income tax on active duty military pay.

Under current state law, military personnel are only able to receive the non-refundable armed forces member tax credit and claim a limited benefit of up to \$300 dollars for military income for services performed while on active duty stationed outside the United States. Service members who are on active duty but stationed within the United States are unable to receive the same tax credit.

"With the projected state budget surplus, this is our opportunity to fix obvious flaws in the tax code," Sen. Jacque said. "In addition to our active military, our economy will benefit by keeping veterans in our state, giving employers a well-trained pool of qualified workers to help fill the thousands of jobs that remain open."

*Senator André Jacque represents Northeast Wisconsin's First Senate District, consisting of Door and Kewaunee Counties and portions of Brown, Calumet, Manitowoc, and Outagamie counties.*

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