



WISCONSIN STATE SENATE

**DAN KNODL**

STATE SENATOR • 8<sup>TH</sup> DISTRICT

**Senate Joint Resolution 63**

Public Testimony

Senate Committee on Licensing, Constitution, and Federalism

October 18, 2023

Thank you Chairman Jacque and members of this committee for holding a public hearing on Senate Joint Resolution 63.

We are here today to add Wisconsin to the list of states that require a supermajority in the legislature before enacting any increase in the income or sales tax.

The last time Wisconsin raised taxes was in 2009, during my first term in office. 2009 Act 28 created a new top bracket taxed at a rate of 7.75%. It was a terrible policy move in the middle of the biggest economic crisis in a generation. It passed the State Assembly 50-48 and the State Senate 17-16. We continue to live with the consequences of that razor-thin vote in the form of the second-highest marginal income tax rate in the Midwest.

We ought to set a higher threshold for any decision that raises taxes on our hardworking citizens and businesses. This amendment represents a crucial step toward ensuring continued responsible fiscal policy, safeguarding taxpayer interests, and promoting economic stability in Wisconsin. It will also prevent rash decisions driven by short-term financial pressures and instead compel legislators to evaluate the long-term consequences of their actions on our state's economy and citizens.

Furthermore, this amendment could actually benefit our state's bottom line. Notwithstanding our stubbornly high top marginal rates, this legislature has spent the past decade generally cutting taxes, and yet our revenues continue to grow. Our improving tax climate demonstrates that economic growth is the key to growing our revenues, not raising taxes and driving investment toward other states.

This is not a radical or new concept. It has been implemented elsewhere, including states as blue as California and as red as Louisiana.

I urge this committee to support this proposed constitutional amendment. Thank you for your time, and I would be happy to answer any questions you may have.

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# AMY BINSFELD

STATE REPRESENTATIVE • 27<sup>TH</sup> ASSEMBLY DISTRICT

*Testimony before the Senate Committee on Licensing, Constitution, and Federalism*

*Representative Amy Binsfeld*

*October 18, 2023*

Chair Jacque and Members of the Senate Committee on Licensing, Constitution, and Federalism:

Thank you for the opportunity to testify before you today on SJR 63, a constitutional amendment that would require a supermajority vote in each house of the legislature for passage of tax increases.

Tax increases should be an option of last resort. When families struggle to make ends meet, they don't have the option to simply increase revenues. They make the tough choices to balance their budget. Maybe they put off buying a new car for a year, eat out less, get rid of that streaming service or buy cheaper groceries. They set their priorities and live within their means. Why is it so much to ask for the state government to do the same?

This common sense constitutional amendment would require a 2/3rds vote to increase sales, income or franchise taxes. The current statutory limitation can easily be disregarded through a simple majority vote in the legislature. If we are ever faced with a situation in which tax increases are the only option, that decision should be made with input from both parties and ideologies, working together. It's not impossible. Milwaukee and Milwaukee County both met this requirement when faced with their economic crisis.

Since 2011, Legislative Republicans have worked to reduce taxes by over \$22 billion, and reduced income and franchise taxes by over \$13 billion, which has led to economic prosperity and record budget surpluses. The legislature should take the necessary steps to make sure it is extremely difficult to reverse those actions.

Sixteen states currently have a supermajority requirement to increase taxes with at least 7 placing that requirement in their constitution. And this isn't a conservative idea. States from both sides of the political spectrum have adopted this pro-taxpayer provision into their constitution.

In the end, the people of Wisconsin will make the decision on whether to make it harder to increase their taxes. We just need to have the strength to let them make that choice.

Thank you for allowing me to testify before you today and I am open to answer any questions you may have.