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Lawmakers Can Avoid Most Damaging Budget Cuts, Even without Additional Tax Revenue

New estimates show that there will be no additional tax revenue to help lawmakers avoid the harmful budget cuts proposed by Governor Walker. But lawmakers can still choose to build a budget that invests in Wisconsin's strengths, even if tax revenues do not come in higher than anticipated.

“Many legislators in both parties have said that the proposed budget cuts are much too deep and should be reversed,” said Jon Peacock, Director of the Wisconsin Budget Project. “Although all of us would have liked to see revenue growth help close budget holes, the good news is that legislators can still undo the damaging budget cuts without increasing state taxes. That can be accomplished by putting a halt to the expansion of tax cuts Wisconsin can't afford and accepting federal assistance to improve access to health care for workers with low incomes.”

By reallocating resources and shunning new tax cuts, legislators can support Wisconsin's excellent public schools, a university system that drives innovation, and a healthy workforce. Lawmakers can free up an estimated \$782 million by making three changes:

- Freeing up \$226 million by capping a new corporate tax break that is now expected to cost more than twice the amount originally anticipated;
- Halting the \$211 million expansion of a property tax credit that does little to help most Wisconsinites; and
- Saving an estimated \$345 million by expanding access to BadgerCare for adults with low incomes, which would qualify Wisconsin for a much larger share of federal Medicaid funding.

A more complete description of an alternate budget that invests in Wisconsin can be found online at “[Better Choices: A Summary of an Alternative Plan for the Wisconsin Budget.](#)”

The Wisconsin Budget Project is an independent Madison-based research group that focuses on tax and budget policy.