



DAVID STEFFEN

STATE REPRESENTATIVE • 4TH ASSEMBLY DISTRICT

FOR IMMEDIATE RELEASE
February 1, 2024

CONTACT:
Rep. David Steffen (608)237-9104

Tax-Free Retirement Receives Public Hearing

Madison, WI – Today, a proposal to create a tax-free retirement in Wisconsin received a public hearing in the Legislature’s Joint Committee on Finance. State Representative David Steffen (R – Howard) and State Senator Rachael Cabral-Guevara (R – Appleton) authored the bill, which will provide direct relief to the state’s retirees.

The bill would exempt from taxation the first \$75,000 of retirement income for individuals age 65 or older and the first \$150,000 for married-joint filers. Currently, nine other states do not tax income earnings at all, and a handful of states including two of Wisconsin’s neighbors, Illinois and Iowa, explicitly do not tax retirement income. By joining with these states, Wisconsin seniors will be better equipped to withstand current and future high-inflation periods during their golden years.

“Food, housing and healthcare are the most common items making up a senior’s budget—these are also some of the fastest growing costs over the past several years. Seniors are in real need of financial relief. This proposal would allow the average retiree to keep an additional \$1,582 of their retirement earnings—that’s real money that will add to the positive impact that seniors have on our economy,” said Rep. Steffen.

The state’s unprecedented multi-billion dollar budget surplus puts Wisconsin in a position to sustainably deliver this historic tax cut. The bill will next receive a committee vote before becoming available for the full Legislature’s consideration.

“Retirees are key to our communities and our economy. We need to ensure that we’re doing all we can to keep folks here in Wisconsin,” said Rep. Steffen

For more information, please contact the office of Representative Steffen at Rep.Steffen@legis.wisconsin.gov.

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