



ANDRÉ JACQUE

STATE SENATOR • 1ST SENATE DISTRICT

Phone: (608) 266-3512

Fax: (608) 282-3541

Sen.Jacque@legis.wi.gov

State Capitol • P.O. Box 7882

Madison, WI 53707-7882

Testimony before the Senate Committee on Utilities and Technology

Senator André Jacque

May 16, 2023

Thank you Mr. Chairman and Members for holding this hearing on Senate Bill 22, which would eliminate the sales and use tax on residential electricity and natural gas year-round.

This legislation was last proposed as 2019 Senate Bill 128. Today, with Wisconsin's state budget surplus, we have an opportunity to provide broad-based tax relief by eliminating this regressive tax.

Wisconsin's average residential energy rates are significantly higher than the Midwest and US averages, and in fact are the highest when comparing electricity rates with the other eight states within the Midwest, according to the Wisconsin Public Service Commission's Strategic Energy Assessment 2022.

Wisconsin's energy taxes only add to this high energy cost burden. They are among the more regressive forms of taxation, as energy costs take up a significantly higher percentage of household budgets for lower income families than those with higher incomes.

The sale of electricity and natural gas for residential use in Wisconsin is currently exempt from sales and use tax during the months of November, December, January, February, March & April, and taxed for the remaining 6 months of the year.

This legislation would exempt electricity and natural gas from taxation regardless of the month in which the sale takes place. This legislation would take effect on the 3rd month after publication.

Thank you for your consideration of Senate Bill 22. I'd be happy to answer any questions.



May 16, 2023

Chairman Bradley and members of the Committee on Utilities and Technology, thank you for the opportunity to testify today on **Senate Bill 22**.

With Wisconsin's historic state budget surplus, Senator Jacque and I have reintroduced this legislation (last proposed as 2019 SB 128) to provide broad-based tax relief by eliminating the state sales and use tax on residential electricity and natural gas.

Wisconsin's average residential energy rates are significantly higher than the Midwest and US averages, and in fact are the highest when comparing electricity rates with the other eight states within the Midwest, according to the Wisconsin Public Service Commission's Strategic Energy Assessment 2022. Energy taxes themselves are also among the more regressive forms of taxation, as energy costs take up a significantly higher percentage of household budgets for lower income families than those with higher incomes.

We are proposing legislation to exempt electricity and natural gas from taxation regardless of the month in which the sale takes place. The sale of electricity and natural gas for residential use in Wisconsin is currently exempt from sales and use tax during the months of November, December, January, February, March & April, and taxed for the remaining 6 months of the year.

This legislation would take effect on the 3rd month after publication.

Thank you for your time and consideration.