Tony Evers

OFFICE OF THE GOVERNOR

March 13, 2026

To the Honorable Members of the Senate:

I am vetoing Senate Bill 291 in its entirety.

While this bill would expand the Business Development Tax Credit to allow businesses and nonprofits to claim up to 15 percent of the total costs incurred to provide child care services to employees, the bill contains a "catch all" provision that allows businesses to claim the tax credit for "any other cost or expense incurred due to a benefit provided by an employer to facilitate the provision or utilization by employees of child care services."

I have spent most of my tenure as governor advocating to expand access to affordable and high-quality child care for working families across our state. Investing in affordable child care is as much about doing what is best for our kids as it is about addressing Wisconsin's generational workforce challenges and having a strong economy for our state's future. Employers play a critical role in this work, and important efforts to make sure kids and families can get a head start on their education.

In December 2025, I signed 2025 Wisconsin Act 78, allowing business owners to claim the Business Development Tax Credit if they invest in a third party that establishes a child care program or contributes to revolving loan funds for that purpose. Act 78 was illustrative of how making smart and strategic modifications to the Business Development Tax Credit and potentially other programs can help support Wisconsin's child care industry and respond to pressing challenges families, employers, and providers face. Unfortunately, this bill fails to do the same.

I am vetoing this bill in its entirety because I object to the Legislature making drastic and vague expansions to tax incentive programs without providing the necessary funding for proper implementation and the clarity necessary to prevent fraud, waste, and abuse.

I am proud we made critically important progress on addressing our state's child care industry crisis through our bipartisan, pro-kid state budget I enacted last year. I fought hard to secure over $360 million to support our state's child care industry in the 2025-27 biennial budget, more than a third of which is going directly to care providers. Nevertheless, there remains, as always, more work we can do to help making sure providers can keep their doors open and lights on and families can afford care for kids. However, ensuring quality and affordable child care access across this state requires a more comprehensive effort than simply modifying tax incentives for businesses. Child care professionals across our state have been explicitly clear that direct, sustainable investments are necessary to continue providing high-quality care for our kids and families. Working families have similarly been clear that, even with my administration's historic investments in recent years, child care still remains unaffordable and out of reach for far too many parents and families across our state. The Legislature must get serious about developing real, meaningful, and holistic solutions that respond to these important challenges.

The Business Development Tax Credit is a powerful tool for our state that helps to incentivize businesses to create and retain jobs and invest in Wisconsin workers. Unfortunately, this bill would enact unclear and broad changes to the credit that could be taken advantage of, all while still failing to address the serious child care needs workers and employers are facing across our state. Specifically, for example, the "catch all" provision in the bill invites the possibility of a business claiming various expenses only tangentially related to child care services. This provision significantly increases the risk of fraud and would require the Wisconsin Economic Development Corporation (WEDC) to implement detailed verification and reporting requirements to ensure compliance.

Moreover, WEDC testified before the Senate Agriculture and Revenue Committee it cannot absorb the bill's significant implementation costs within its current budget. The bill does not provide any funding to WEDC to implement the needed safeguards for taxpayer dollars or verify the changes to the credit proposed by the bill, meaning WEDC will be forced to divert resources dedicated to other economic development priorities.

Finally, I would be remiss if I did not also acknowledge the $15 million the Legislature and I had approved years ago that WEDC could have used to support our state's child care industry. Unfortunately, none of that $15 million went anywhere because Republican lawmakers on the state budget committee refused to release even one cent of that investment. That was a mistake.

I welcome the Legislature's new interest in finding meaningful ways to invest in and support our state's child care industry, and am hopeful the state can continue to build upon our momentum this session to help more kids get a head start on their education, make child care more accessible and affordable so we can keep parents in our workforce, and help providers keep their doors open and lights on. I remain hopeful the Legislature will get serious about passing legislation that balances all of these important obligations.

Respectfully submitted,

Tony Evers

Tony Evers
Governor