



Tony Evers

OFFICE OF THE GOVERNOR

April 3, 2026

To the Honorable Members of the Senate:

I am vetoing Senate Bill 36 in its entirety.

This bill would adopt for Wisconsin individual income tax purposes the current federal treatment of tip income by allowing a deduction of up to \$25,000 on “qualified tips” for tax years 2025 through 2028. Federal law defines “qualified tips” as “cash tips received by an individual in an occupation that customarily and regularly received tips on or before December 31, 2024.”

In my 2025-27 Executive Budget, I proposed eliminating the tax on cash tips to ensure hard-working Wisconsinites would keep more of their hard-earned money in their pockets on a continuing basis. I also proposed expanding the homestead tax credit to provide property tax relief to more Wisconsinites, increasing Wisconsin's earned income tax credit, increasing the personal exemption under the individual income tax, and providing direct aid to local governments to freeze local property taxes. I spent months urging Republican legislators to join me and adopt these proposals so we could help give Wisconsin families a little more breathing room in their monthly household budgets. Unfortunately, all these proposals—and more—were rejected by the Republican majority in the Legislature.

Meaningful tax relief for working people is a serious undertaking, and I have been clear from the get-go that my expectation is that when we provide tax relief, it should be real, responsible, and targeted to the middle class. We must also stay well within our means by still ensuring our tax policy changes are sustainable and will not force us to cut services or raise taxes down the road. Therefore, I am vetoing this bill in its entirety because I object to adopting a temporary income tax provision instead of working to provide comprehensive and lasting relief to Wisconsin taxpayers.

Additionally, I am vetoing this bill because I object to the Legislature effectively ceding control over the direction of state tax policy to Congress by connecting the proposed state tax deduction for tips to any change in the federal deduction, regardless of what is best for Wisconsin. We should not be at the whims of a Republican-controlled Congress that has no problem gutting basic necessities and services like food and access to healthcare just to pay for tax cuts for millionaires and billionaires. Wisconsin should retain control over the parameters of a potential income tax deduction for tips so we can modify the policy based on what makes the most sense for Wisconsinites.

A top priority for me has been working to give working families across our state more breathing room in their household budgets. There's no doubt about it—Wisconsinites are feeling the squeeze of President Donald Trump's illegal tariff taxes and reckless Republican decisions in Washington, D.C. that are causing prices to go up on things like school supplies, healthcare, groceries, clothes,



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gas, and everything in between. I remain committed to broad-based tax relief for Wisconsin taxpayers and to ensuring tipped workers can keep more of their hard-earned money.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tony Evers".

Tony Evers
Governor