



**WISCONSIN  
BUDGET  
PROJECT**

An Initiative of the Wisconsin Council on Children and Families

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**New Census Bureau Figures Show Wisconsin Below Average on Per Capita Taxes and Spending in 2008**

Government spending at the state and local level in Wisconsin was \$345 per person below the national average in 2007-08, according to an analysis by the Wisconsin Budget Project of new data from the U.S. Census Bureau. The analysis, available at [http://www.wisconsinbudgetproject.org/tax\\_revenue\\_ranks.pdf](http://www.wisconsinbudgetproject.org/tax_revenue_ranks.pdf), finds that state and local spending per capita was \$7,541 in Wisconsin in fiscal year (FY) 2008, 4.4 percent below the national average.

The new Census Bureau figures show that the average Wisconsinite paid \$40 less in state and local taxes than the average American in 2008. Wisconsin now ranks 17<sup>th</sup> in that measure, compared to 8<sup>th</sup> in 2000.

The Wisconsin Budget Project noted that revenue collected in Wisconsin is farther below the national average if one looks at all state and locally generated revenue, including fees as well as taxes. By that measure, which is known as “own source” revenue, Wisconsin was \$236 per person below the national average, a difference of 3.7 percent.

Wisconsin does not do as well in the national rankings when revenue and spending are measured relative to personal income, because the income of the average Wisconsinite is almost 6 percent below the national average. As a result, even though Wisconsin’s state and local taxes per person are below average, the share of income that is used for taxes in Wisconsin is 5 percent above the national average. Wisconsin ranks 13<sup>th</sup> in taxes as a percentage of income and 21<sup>st</sup> in total “own source” revenue relative to income.

Jon Peacock, director of the Wisconsin Budget Project, said, “Wisconsin’s spending and taxes have fallen significantly over the past decade in comparison to other states and the national average.” He noted that the state’s rank in spending as a percentage of personal income dropped to 25<sup>th</sup> in 2008, compared to 17<sup>th</sup> in 2000.

Some of the other highlights of the data include the following:

- Wisconsin has fallen to 22<sup>nd</sup> in state and local spending per capita (i.e., “direct general” spending), down from 12<sup>th</sup> highest in 2000.
- Total state and local revenue in Wisconsin from all general revenue sources, including federal revenue, was \$7,463 per person, 6.4 percent below the national average of \$7,970 per person.
- In state and local taxes relative to income, which has generally been the most watched measure, Wisconsin went from 4<sup>th</sup> in 2000 to 13<sup>th</sup> in 2008.

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- Our state continues to rely less on fees and other revenue sources than most other states, and now ranks 36<sup>th</sup> in that category of per capita revenue, 9.7 percent below the national average.
- Wisconsin was 46<sup>th</sup> in per capita federal revenue, down from 35<sup>th</sup> in 2000.
- In what is called “own source” revenue – which combines all state and local taxes, fees and things like interest earnings, but excludes federal revenue – Wisconsin was 21<sup>st</sup> in the per capita ranking (3.7 percent below the national average) and also 21<sup>st</sup> when it is measured relative to income (but 2.1 percent above average) .

The new Census Bureau figures do not reflect tax and fee increases that were adopted by Wisconsin in the last state budget bill. Peacock commented that, “nearly all states increased taxes or fees to offset falling revenue during the recession, and it’s too soon to know how those policy changes and the economic and fiscal effects of the recession will affect the relative state rankings for fiscal year 2010.”

A comprehensive analysis of the new data can be found on the Wisconsin Budget Project’s website at [http://www.wisconsinbudgetproject.org/tax\\_revenue\\_ranks.pdf](http://www.wisconsinbudgetproject.org/tax_revenue_ranks.pdf).

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