



Facts about Wisconsin's Individual Income Tax

In Wisconsin, revenue from the income tax supports safe communities, well-maintained bridges and roads, and solid public schools, all of which act as a foundation for job creation and economic growth in the state. Here are some facts you may not know about the individual income tax in Wisconsin:

- In 1911, Wisconsin became the first state to adopt an individual income tax.
- Individual income taxes in Wisconsin totaled \$5.7 billion in 2010, making up 24% of the total state and local taxes paid by Wisconsinites.
- The individual income tax makes up 52% of state general fund taxes. In 2012, most of that revenue (79%) was spent in the following six areas: the public K-12 education system, health care, corrections, the University of Wisconsin, support for county and municipal governments, and direct property tax relief.
- Governor Walker has proposed an income tax cut that would reduce state revenue by \$343 million over two years. Nearly half the benefit of the tax cut would go to the top 14% of tax filers, and most people earning \$30,000 or less would receive no benefit.
- Wisconsin's income tax is progressive, meaning that high earners typically pay a higher share of their income in the income tax than low-income people do. There are exceptions to the income tax's progressive nature though – [a Milwaukee Journal Sentinel article](#) found that two of the state's billionaires paid no state income tax in recent years.
- Overall, Wisconsin's tax system is somewhat regressive, with low and middle-income people paying a higher portion of their income in taxes than the highest income Wisconsinites. Since the income tax is the only major component of our tax system that alleviates this imbalance, most plans to make the income tax a smaller part of state tax revenue would make the distribution of total state and local taxes more regressive.
- The amount of income taxes Wisconsinites pay has declined over the last 20 years. Measured as a percentage of personal income, Wisconsin income taxes have declined from a high of about \$40 per \$1,000 in personal income in the early 1990s, to about \$31 in 2012.
- 2.9 million tax returns were filed for 2011. Of those tax returns, 2.0 million had an individual income tax liability, averaging \$3,189. The average liability for all filers was \$2,205.

SOURCES: Legislative Fiscal Bureau, Department of Revenue, Wisconsin Budget Project.

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