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**For immediate release**

August 1, 2013

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## **Wisconsin Taxes and Spending in Line with Other States**

Wisconsin is close to the middle of the pack in taxes and fees paid by state residents to state and local governments, according to new figures from the U.S. Census Bureau.

According to a [new analysis](#) of the Census Bureau data by the Wisconsin Budget Project--a Madison-based research organization focusing on tax and budget policy--Wisconsin ranked 19<sup>th</sup> out of the 50 states in taxes, fees, and miscellaneous revenue per person in fiscal year 2011, before the deep spending cuts included in the 2011-13 budget went into effect. Wisconsin residents paid an average of \$6,346 in taxes, fees, and other charges to state and local governments in 2011. That's \$34 higher than the national average.

"It's always somewhat discouraging to hear Wisconsin referred some politicians and pundits as a high-spending state, when that really hasn't been true for several years," said Wisconsin Budget Project Director Jon Peacock. "We've been very close to the average for quite a while."

There are a variety of ways of measuring revenue and spending. On virtually all of the measures, Wisconsin ranks between 10<sup>th</sup> and 25<sup>th</sup> among the states. One measure by which Wisconsin ranks considerably higher than the others is taxes relative to personal income. There are a few reasons for this: (1) Wisconsin relies more heavily on taxes and less heavily on fees than most other states; (2) personal income in Wisconsin is lower than the national average; and (3) Wisconsin receives 6.9% less federal revenue per state resident than the U.S. average (34<sup>th</sup> among the states), and must therefore compensate with more revenue from state and local sources.

"Looked at in isolation, it's not inaccurate to say Wisconsin residents pay more of their income in taxes than people in most other states, but that provides a very incomplete and somewhat misleading picture," said Peacock. "When you take all of the pertinent factors into account, including fees and federal investments, it's pretty clear that Wisconsin is about average, and has been for the last several years."

Peacock noted that while it's somewhat useful to see how Wisconsin compares to other states, it's best not to attach too much importance to one particular number. Policymakers and state residents should focus instead on maintaining a revenue system that allows us to invest in the things that promote job creation and make Wisconsin economically competitive, such as education, health care, and our communities.

The Wisconsin Budget Project's full analysis of the new Census Bureau data on government spending, taxes, and total revenue is available at <http://www.wisconsinbudgetproject.org/middle-of-the-pack-wisconsin-government-revenue-is-not-out-of-line>.

The Budget Project has also updated its related online quiz, ["Test Your Knowledge of Taxes and Spending in Wisconsin."](#) We urge readers to take the short quiz; you might be surprised by some of the answers.

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