



Test your Knowledge of Taxes and Spending in Wisconsin

- 1. Do Wisconsin state and local governments spend more money per person than governments in other states?**
 - a. Yes, much more: Among the states, we rank 6th.
 - b. Wisconsin is about in the middle: Wisconsin ranks 23rd.
 - c. No, much less: Wisconsin ranks 37th.

- 2. How much do we pay in total state and local taxes per person in Wisconsin, compared to the national average?**
 - a. Wisconsin's taxes are much higher: Per person, Wisconsin residents pay 15 percent above the national average.
 - b. Close to the middle: 4 percent above the national average.
 - c. Much lower: 12 percent below the national average.

- 3. How do corporate income taxes in Wisconsin compare to those in other states?**
 - a. Wisconsin's taxes are much higher: 20 percent above average, as a percent of state personal income.
 - b. Close to the middle: virtually the same as the national average
 - c. Much lower: 17 percent below the national average.

- 4. Has the share of income that people pay in Wisconsin state and local taxes been going up or down over the years?**
 - a. It has been increasing, by 10 percent over the last 15 years.
 - b. It has stayed virtually the same.
 - c. It has been decreasing, by 10 percent over the last 15 years.

- 5. How does Wisconsin compare to other states in federal aid to state and local governments, measured on a per person basis?**
 - a. Above average: Wisconsin ranks 8th among the states.
 - b. In the middle: Wisconsin ranks 24th.
 - c. Below average: Wisconsin ranks 34th.

- 6. How does the number of public sector employees in Wisconsin compare to that in other states?**
 - a. Above average: Wisconsin ranks 12th in the number of state and local government employees per state resident.
 - b. In the middle: Wisconsin ranks 25th.
 - c. Below average: Wisconsin ranks 40th.

See next page for answers.

Answers: 1b, 2b, 3b, 4c, 5c, 6c.

Rankings were calculated by the Wisconsin Budget Project from U.S. Census Bureau data on taxes and spending and Bureau of Economic Analysis data on personal income in each state. The most recent figures for state and local revenue and spending in each state are for fiscal year 2011. For the number of state and local government employees, the most recent figures are for March 2011.

This analysis follows the methodology used by the Legislative Fiscal Bureau in its [January 2013 Information Paper #73](#), except that the District of Columbia is excluded from the rankings.

Additional information

- 1. Per capita spending** – Total per capita spending by state and local governments in Wisconsin ranked 23rd nationally in 2011 (and ranked 21st as a percentage of income). We prefer using the category the Census Bureau refers to as “direct general spending,” which includes most government functions but excludes spending on utilities, liquor stores, and insurance trusts. By that measure, Wisconsin was 0.8% above the national average for per capita spending.
- 2. State and local taxes per person** – Wisconsin’s total state and local taxes were 4.4 percent above the per capita national average in 2011 and ranked 16th. Wisconsin ranks higher, 10th, when taxes are measured relative to income, because personal income in Wisconsin is well below the national average.
- 3. Corporate taxes relative to income** – Measured as a percentage of income, corporate taxes in Wisconsin are 0.3 percent below the national average. On a per capita basis, Wisconsin’s corporate taxes are 4.4 percent below average.
- 4. Trend in state and local taxes relative to income** – Total state and local taxes in Wisconsin declined from 13.1 percent of income in 1996 to 11.8 percent in 2011, a drop of 10 percent.
- 5. Federal aid per capita** – The federal aid received by Wisconsin and local governments in the state amounted to \$1,931 in fiscal year 2011, which was 6.9 percent below the national average and ranked 34th. (This doesn’t include other forms of federal spending, such as direct payments to individuals and defense spending.)
- 6. Public employees relative to income** – Based on the most recent Census Bureau figures from 2011, Wisconsin ranked 40th in state and local government employees as a percentage to the state population. In other words, only 10 other states had fewer public sector workers.

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