



Middle of the Pack: Wisconsin Government Revenue is Not Out of Line

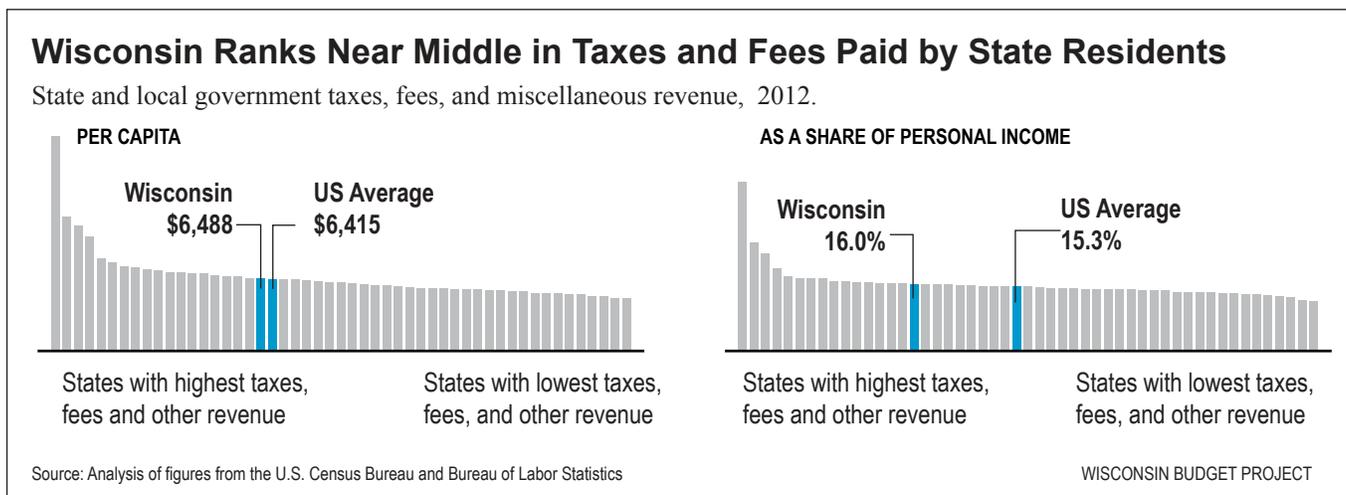
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Despite claims that Wisconsin is a high-tax state, it is actually close to average in many measures of revenue and spending among the states, according to new figures from the Census Bureau.

Wisconsin ranked 19th out of the 50 states in state and local government from taxes, fees, and other revenue per person in fiscal year 2012. Measured as a share of personal income, Wisconsin ranks 16th among the states.

Some policymakers focus on Wisconsin's ranking on taxes alone when evaluating its revenue compared to other states. But focusing just on taxes means that fees and other charges, which come from residents' pockets much like taxes do, are not taken into account. Combining taxes with fees and other revenue gives a broader and more complete measure of the money that state and local governments in Wisconsin collect from their residents.

The average amount state residents paid in taxes and fees is close to the national average. In 2012, Wisconsin residents paid an average of \$6,488 in taxes, fees, and other charges to state and local governments, \$73 higher than the national average. State residents paid 16.0% of personal income in taxes and other revenue, above the national average of 15.3%.



In nearly every measure of revenue and spending, Wisconsin's rank has dropped significantly over the last decade:

- In 2000, Wisconsin ranked 11th among the states in taxes, fees, and other revenue per person, before dropping eight places by 2012. Wisconsin ranked 13th in total spending per person in 2000, before falling to 24th in 2012.
- Wisconsin's rank in revenue and spending as a share of income has fallen as well. By that measure, the state ranked 16th in taxes, fees, and miscellaneous revenue in 2012, down from 13th in 2000, and 27th in total spending, down from 19th.

Because per capita income in Wisconsin is well below the national average, we typically rank higher when revenue and spending are measured on that basis.

State and Local Government Revenue and Spending, Per Person

For fiscal year 2012.

REVENUE SOURCE	NATIONAL AVERAGE	WISCONSIN	% DIFFERENCE	WISCONSIN RANKING	
				2000	2012
Taxes, fees, miscellaneous revenue, and federal aid	\$8,277	\$8,151	-1.5%	15th	25th
Taxes, fees, and miscellaneous revenue	\$6,415	\$6,488	1.1%	11th	19th
Taxes only	\$4,423	\$4,629	4.7%	8th	15th
Federal aid only	\$1,862	\$1,663	-10.7%	35th	39th
Total spending	\$10,041	\$9,750	-2.9%	13th	24th
Spending, excluding trusts and state-owned enterprises	\$8,243	\$8,257	0.2%	12th	21st

SOURCE: Analysis of figures from the U.S. Census Bureau and Bureau of Labor Statistics

WISCONSIN BUDGET PROJECT

State and Local Government Revenue and Spending, Relative to Income

For fiscal year 2012.

REVENUE SOURCE	NATIONAL AVERAGE	WISCONSIN	% DIFFERENCE	WISCONSIN RANKING	
				2000	2012
Taxes, fees, miscellaneous revenue, and federal aid	19.7%	20.0%	1.8%	18th	27th
Taxes, fees, and miscellaneous revenue	15.3%	16.0%	4.5%	13th	16th
Taxes only	10.5%	11.4%	8.1%	4th	12th
Federal aid only	4.4%	4.1%	-7.7%	35th	36th
Total spending	23.9%	24.0%	0.3%	19th	27th
Spending, excluding trusts and state-owned enterprises	19.6%	20.3%	3.5%	17th	23rd

SOURCE: Analysis of figures from the U.S. Census Bureau and Bureau of Labor Statistics

WISCONSIN BUDGET PROJECT

Wisconsin policymakers who advocate tax cuts should know that Wisconsin governments are already close to the national average in the amount of taxes and fees they collect from residents. Additional tax cuts could jeopardize Wisconsin's public investments in high-quality education and health care, and make it more difficult to invest in public safety and transportation in our communities. That would hurt our economy in the long run, since those are the very things our businesses and families need to thrive.

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