



Test your Knowledge of Taxes and Spending in Wisconsin

Based on 2012 figures

December 22, 2014

- 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, and ranks 24th.
 - 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: 5 percent above the national average.
 - c. Much lower: 12 percent below the national average.

- 3. 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 more than 10 percent over the last 15 years.
 - b. It has stayed virtually the same.
 - c. It has been decreasing, by more than 10 percent over the last 15 years.

- 4. 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 39th.

- 5. 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 37th.

See next page for answers.

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

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 2012. For the number of state and local government employees, the most recent figures are for March 2012.

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 24th nationally in 2012 (and ranked 27th as a percentage of income). A better method of measuring spending is what 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 0.2 percent above the national average for per capita spending.
- 2. State and local taxes per person:** Wisconsin’s total state and local taxes were 4.7 percent above the per capita national average in 2012 and ranked 15th. Wisconsin ranks higher, 12th, when taxes are measured relative to income, because personal income in Wisconsin is well below the national average.
- 3. 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 11.4 percent in 2012, a drop of 13 percent.
- 4. Federal aid per capita** – The federal aid received by Wisconsin and local governments in the state amounted to \$1,663 in 2012, which was 10.7 percent below the national average and ranked 39th. This doesn’t include other forms of federal spending, such as direct payments to individuals and defense spending.
- 5. Public employees relative to population:** Based on the most recent Census Bureau figures from 2012, Wisconsin ranked 37th in state and local government employees as a percentage of the state population. Put another way, only 13 other states had fewer public sector workers per state resident.