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Contacts: Tamarine Cornelius, 608-284-0580 ext 305
Jon Peacock, 608-284-0580 ext 307

New Figures Shed Additional Light on How Wisconsin's Richest Benefit from Manufacturing and Agriculture Credit

[New information analyzed by the Wisconsin Budget Project](#) sheds additional light on the degree to which the state's costly and ineffective Manufacturing and Agriculture Credit (MAC) benefits the very richest individuals in Wisconsin.

A [June 28, 2016 memo from the Legislative Fiscal Bureau](#) to Rep. Gordon Hintz includes updated, detailed estimates of MAC amounts for the very highest earners. The updated information shows:

- Eleven tax filers with incomes of \$35 million and above will receive an estimated combined income tax break of \$21.5 million in 2017 from the Manufacturing and Agriculture Credit (MAC). Those 11 filers receive an average income tax break of nearly \$2.0 million each.
- \$105.7 million of the tax credit is claimed by just 381 tax filers, all of whom have incomes of at least \$2.8 million. That is 51% of the total tax credit amount paid through the individual income tax. Those 381 tax filers receive an average tax cut of \$278,000.
- Tax filers with incomes of \$100,000 and under receive just 1.9% of the value of the MAC that is paid through the individual income tax. About 70% of the credit is paid through the individual income tax, with the remainder paid through the corporate income tax.

“This tax break is even more slanted in favor of the wealthy that we originally thought,” said Tamarine Cornelius, Analyst at the Wisconsin Budget Project. “During a time when Wisconsin is making steep cuts to investments that have traditionally made our state a great place to live and work, lawmakers shouldn't be handing millions of dollars back to Wisconsin's richest in the form of a tax credit that does little to strengthen our workforce. We should be redirecting those resources to improve Wisconsin schools, roads, workforce, and communities.”

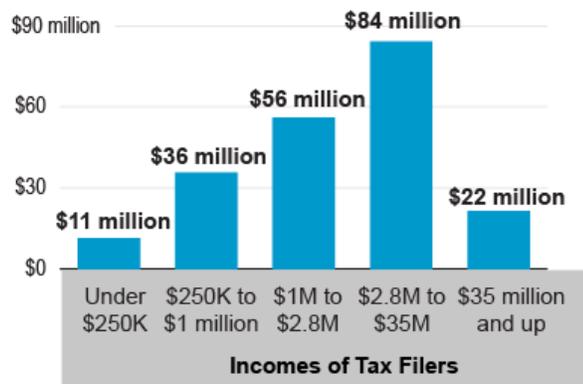
Nearly All the Value of a Tax Credit Goes to Very Wealthy

Estimated Manufacturing and Agriculture Credit amounts by income group for tax year 2017. Amounts shown are paid through the individual income tax, which comprises about 70% of the total value of the credit; the remainder is paid through the corporate income tax.

CREDIT PER CLAIMANT

Income	Number of Claimants	Avg Credit per Claimant
\$6.5 million to \$10 million	59	\$289,885
\$10 million to \$20 million	41	\$448,730
\$20 million to \$35 million	16	\$758,686
\$35 million and up	11	\$1,956,425

AGGREGATE AMOUNTS PAID, BY INCOME GROUP



Source: Legislative Fiscal Bureau

WISCONSIN BUDGET PROJECT

Wisconsin's Manufacturing and Agriculture Credit is expensive, does little to encourage job growth, and is significantly tilted in favor of the highest earners, as described in the Wisconsin Budget Project's June 28th, 2016 report, [The Big Giveaway: Costly Tax Credit has Done Little to Boost Employment](#).

The Wisconsin Budget Project, an initiative of the Wisconsin Council on Children and Families, is an independent Madison-based research group that focuses on tax and budget policy.

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