

Middle of the Pack

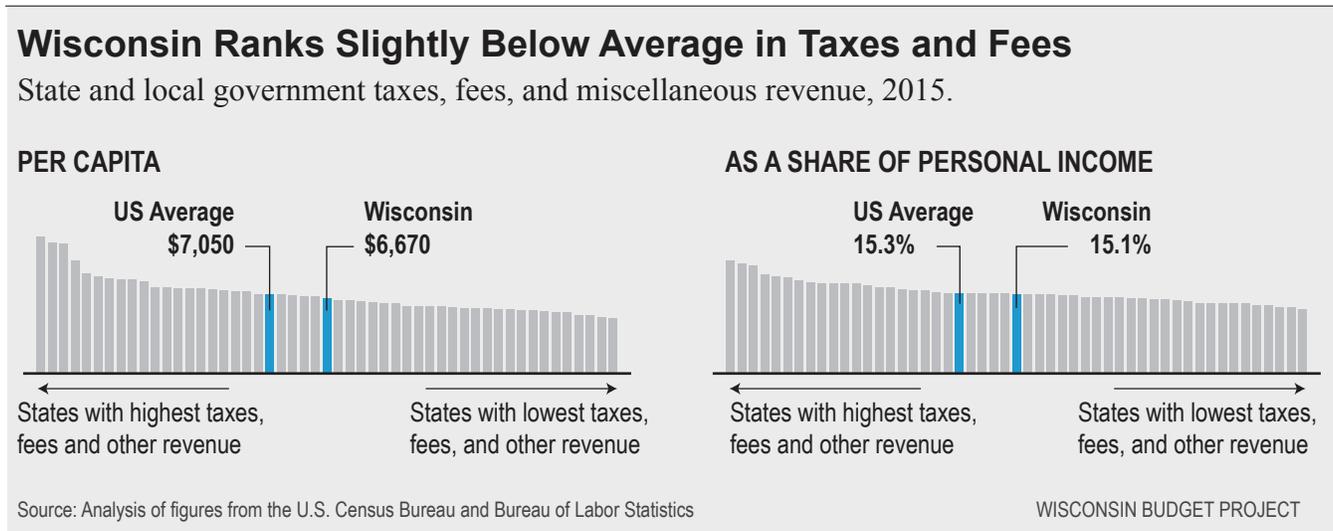
Wisconsin Government Revenue is Similar to that of Other States

Wisconsin is close to average in most measures of revenue and spending among the states, according to new figures from the Census Bureau.

Wisconsin ranked 25th out of the 50 states in the combined amount of state and local taxes, fees, and other revenue collected per person in fiscal year 2015. Measured as a share of personal income, Wisconsin also ranks 25th among the states in taxes, fees, and miscellaneous revenue.

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 governments in Wisconsin collect from their residents.

The average amount state residents paid in taxes, fees, and other revenue is slightly below the national average. In 2015, Wisconsin residents paid an average of \$6,670 in taxes, fees, and other charges to state and local governments, \$380 less than the national average. State residents paid 15.1% of personal income in taxes and other revenue, less than 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 14 places by 2015. Wisconsin ranked 13th in total spending per person in 2000, before falling to 23rd in 2015.
- Wisconsin's rankings in revenue and spending as a share of income have fallen as well. Measured relative to income, the state ranked 25th in taxes, fees, and miscellaneous revenue in 2015, down from 13th in 2000, and 24th in total spending, down from 19th.

Because per capita income in Wisconsin is well below the national average, our revenue collections are not as far below the national average when measured relative to income.

State and Local Government Revenue and Spending, Per Person

For fiscal year 2015.

REVENUE SOURCE	NATIONAL AVERAGE	WISCONSIN	PERCENT DIFFERENCE	WISCONSIN RANKING	
				<u>2000</u>	<u>2015</u>
Taxes, fees, miscellaneous revenue, and fed aid	\$9,100	\$8,366	-8.1%	15	30
Taxes, fees, and miscellaneous revenue	\$7,050	\$6,670	-5.4%	11	25
Taxes only	\$4,883	\$4,664	-4.5%	8	20
Federal aid only	\$2,049	\$1,696	-17.3%	35	40
Total spending	\$10,598	\$10,290	-2.9%	13	23
Spending, excluding state-owned enterprises	\$8,845	\$8,865	0.2%	12	20

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 2015.

REVENUE SOURCE	NATIONAL AVERAGE	WISCONSIN	PERCENT DIFFERENCE	WISCONSIN RANKING	
				<u>2000</u>	<u>2015</u>
Taxes, fees, miscellaneous revenue, and fed aid	19.7%	18.9%	-4.0%	18	28
Taxes, fees, and miscellaneous revenue	15.3%	15.1%	-1.3%	13	25
Taxes only	10.6%	10.5%	-0.3%	4	21
Federal aid only	4.4%	3.8%	-13.6%	35	39
Total spending	23.0%	23.3%	1.3%	19	24
Spending, excluding state-owned enterprises	19.2%	20.0%	4.6%	17	21

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

WISCONSIN BUDGET PROJECT

Wisconsin policymakers who advocate for tax cuts should know that Wisconsin governments are already a little below 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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