



Wisconsin Taxpayers Alliance
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NEWS

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Federal, State, and Local Tax Collections from Wisconsin Fell 12.4% in 2009
Tax Burden Down Nearly 15% as Economic Recession Deepened

MADISON—Federal, state, and local tax collections in 2009 totalled \$61.2 billion, down from \$69.9 billion in 2008. Taxes claimed 28.8% of total state personal income, their smallest share in over four decades. These figures are found in a new report from the Wisconsin Taxpayers Alliance (WISTAX) titled “2009 in Review: Total Wisconsin Taxes.” WISTAX is a nonprofit, nonpartisan organization dedicated to public policy research and education.

For the first time since 2002, total tax collections declined in Wisconsin. The 12.4% drop reflected the prolonged economic recession and its impact on employment statewide. Federal taxes paid by Wisconsin residents were down the most (17.7%), while state collections fell 5.6%. Local tax collections were up 3.3%, largely due to continued growth in property taxes. According to WISTAX researchers, declining tax collections were the result of the poor economy and a reluctance to raise federal taxes in an economic recession. Revenue losses at the state level were less severe, due in part to tax increases, particularly in tobacco.

State

A total of \$14.5 billion was collected through state taxes and fees in 2009. Taxes claimed 6.8% of personal income, down from 7.4% in 2008. Major revenue sources were the individual income (\$6.2 billion) and sales (\$4.1 billion) taxes, as well as motor vehicle fees and charges (\$1.5 billion).

- Individual income tax collections declined 7.3% in 2009, following six consecutive years of growth. The tax claimed 2.9% of personal income, down from 3.2% the prior year.
- The second-largest state tax, the sales tax, fell 4.3% to \$4.1 billion. The loss in sales tax revenues was attributable to the economy and to the growth of online shopping.
- After falling 5.9% in 2008, corporate income taxes were down 25% in 2009 to \$629.5 million.
- Tobacco and cigarette tax collections both increased in 2009, following recent tax increases.

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Local

Local taxes and fees increased 3.3% in 2009, compared to a 5.8% rise in 2008.

- Property taxes maintained their long-term pattern of growth, rising 3.3% in 2009 to \$8.4 billion. Between 1980 and 2009, property taxes increased every year, except 1997, when state school aids were substantially increased.
- Local sales taxes fared slightly better than the state sales tax, growing 4.1%. The optional 0.5% tax generated \$293.8 million of revenue for county governments.
- Stadium taxes that fund Lambeau Field in Green Bay and Miller Park in Milwaukee were down 0.4%, from \$47.3 million to \$47.1 million.
- Local room taxes rose 1.5%, partly the result of more communities adopting the tax.

Federal

Following a gain of 3.0% in 2008, federal taxes collected from Wisconsin declined 17.7% in 2009 to \$37.5 billion.

- Taxes claimed 17.6% of personal income in 2009 vs. 22.0% in 2008.
- Based on 2008 figures, the majority of Wisconsin's federal tax contribution (84.4%) was from individual income and employment taxes (e.g., social security, unemployment). The next largest source was corporate income (14.2%).

A free copy of *The Wisconsin Taxpayer* titled "2009 in Review: Total Wisconsin Taxes" is available by writing WISTAX at 401 North Lawn Ave., Madison, WI 53704-5033; e-mailing wistax@wistax.org; visiting www.wistax.org; or phoning 608.241.9789. □

(Editor's Note: An electronic version of this release is available at www.wistax.org.)