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The Wisconsin Taxpayer

A monthly review of Wisconsin government, taxes, and public finance

Property Taxes: Freeze or Thaw?

For decades, controlling property taxes has been a priority of state and local officials in Wisconsin. Shared revenues, school aids, tax credits, and property exemptions are some of the state's attempts to reduce property taxes. Despite these efforts, Wisconsin levies continue to be among the highest in the U.S.

Wisconsin's latest effort to control property taxes was dubbed a "freeze" by state officials when it was enacted in 2005. It included two-year limits on levy growth for local governments and an increase in state aids for school districts.

Was the "freeze" successful? This issue of *The Wisconsin Taxpayer* examines 2006-07 property taxes from several perspectives, including levy changes, tax rates, and the effects of the freeze on individual local governments.

IN BRIEF

The 2006-07 property tax season was the second year of a state effort to curtail levy increases. To judge the effectiveness of the limits, this issue compares the growth in property taxes during the past two years with previous years. During the years of the "freeze," net levies increased an average of 2.8%, while in the five years before the limits, the average increase was 5.8%. Other findings in this study of Wisconsin property taxes include:

- School property tax levies rose an average of 2.4% during the two years of the freeze, compared to 5.4% in the five preceding years. The large drop is attributable to a significant increase in state aids.
- Municipal levy growth fell from 4.9% per year before the freeze to 3.8% during it. County tax growth dropped from 5.3% to 3.3%.

Also in this issue:

MunicipalFacts Available • Interstate Property Taxes • UW Service • State Budget

2006-07 OVERVIEW

In 2006-07, gross property taxes totalled \$8.71 billion. This was partially offset by state property tax credits totalling \$593 million. Thus, net property taxes were \$8.11 billion. After subtracting \$145 million in lottery credits, property owners paid \$7.97 billion in state and local property taxes (see table on page three).

Local governments are the main users of the property tax. The exception is a small levy for state forestry programs. The chart on page two shows how property tax revenues are shared, on average, among various units of government. These percentages vary from place to place.

As usual, school districts were the single largest user of property taxes. At \$3.79 billion, they accounted for 43.5% of all 2006-07 property taxes. Until a change a decade ago that led the state to provide two-thirds of school revenues, school districts regularly levied more than half of the state total.

Second after school districts in total levies were municipalities. The aggregate municipal levy was \$2.10 billion, or 24.1% of the state total. Cities collected the most (\$1.42 billion), followed by villages (\$352 million) and towns (\$329 million).

Wisconsin's 72 counties levied \$1.72 billion in 2006, or 19.8% of the state total. Milwaukee, Dane, and Waukesha counties alone made up more than one-quarter of the county total.

Together, school districts, municipalities, and counties accounted for 87.4% of the state total. In other words, seven of every eight property tax dollars in 2006-07 went to one of these three units of government. The remainder was levied by technical colleges (7.5%), tax incremental financing (TIF) districts (3.1%), special districts (1.0%), and the state (0.9%).

THE PROPERTY TAX "FREEZE"

Property tax limits were included in the 2005-07 budget, the joint product of legislative action and gubernatorial partial veto. In its original form, the hope was to "freeze" property taxes. Lawmakers continued to use the phrase even after the proposal was changed.

Because this was a major and much-debated attempt to control property taxes, it is worth examining the effectiveness of the "freeze." By some measures, the limits were effective, while by others, the results were less clear. Levy growth slowed, but total levies were not "frozen."

Features

The freeze combined new restrictions on some local governments with increases in state aids for others.

Counties and Municipalities. These two units were impacted most directly by the freeze. According to the law, both counties and municipalities were limited to levy increases of 2% or the percentage increase in property values due to new construction, whichever was greater. For example, if a city's growth from new construction was 1%, it could increase its levy up to 2%. However, if

construction-related growth was 5%, the municipality could increase its levy up to 5%. The freeze included some exceptions for debt service.

School districts. No new limits were imposed on schools, but they received a significant increase in state aid. Because of revenue limits, enacted in 1993, the growth in the combination of property taxes and state aids to schools are limited by state government. Essentially, growth in state aid decreases a school district's reliance on the property tax and increases its dependence on the state.

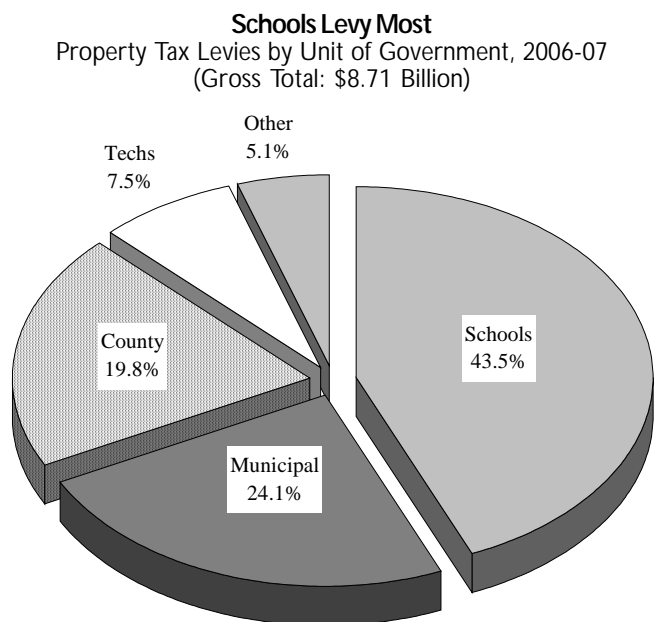
Technical colleges. Technical colleges were the only major property tax user unaffected by the freeze legislation. The governor vetoed language that would have limited growth in technical college levies to 2.6%.

Levy Growth

One problem with calling the reforms a "freeze" was that many citizens were led to believe one of two mistaken ideas: that the total statewide levy would be unchanged or that their individual property tax bill would be frozen. The limits that were imposed did not necessarily ensure either.

The combination of tax limits and increased school aids had a considerable effect on total levy growth. In the five years from 2000-01 through 2004-05, net levies increased an average of 5.8% per year. In 2005-06, net levies rose 2.3%, and in 2006-07, they increased 3.3%. Thus, the freeze contributed to lowering annual levy growth an average of three percentage points. The table on page four shows average levy growth, both before the freeze and during it.

While tax growth unquestionably slowed, a 2.8% average annual increase may have disappointed those who



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e-mail: wistax@wistax.org Web site: www.wistax.org

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thought a freeze would mean no levy growth. Further, changes varied considerably among communities. In some cases, counties, municipalities, and school districts actually froze their levies, but others increased them more than 10%. Thus, even if aggregate levy growth slowed, changes were not distributed evenly across the state.

School districts. School district levies rose an average of 2.4% during the “freeze” years, compared to 5.4% in the five years preceding them. However, the slower rate of growth was a result of increased state aid, not new property tax limits.

A 0.5% school tax decrease in 2005-06 was the main reason overall levy growth was low that year. School levies fell in 2005-06 due to a \$301 million (6.2%) increase in state aid. As previously described, when the state provides large aid increases, school levies either increase slowly or fall.

The increase in state aids to schools was just \$135 million (2.6%) in 2006-07. Consequently, school property taxes rose 5.4% that year, equal to the average of the prefreeze years. Thus, the 2005-06 school district decrease was essentially a state “buydown” of school levies.

Municipalities. During the five years that preceded the freeze, municipal levies increased an average of 4.9%. In the two years of the freeze, they rose 3.8%. Thus, the limits appeared to slow tax growth by roughly one percentage point.

In 2006-07, municipal levies increased 3.5%. However, increases were not uniform throughout the state; there was considerable variation among communities. More than 10% of municipalities reduced levies, while nearly 8% had double-digit increases.

An exception allowing municipalities to increase taxes to raise money for debt service may have led to considerable increases in some communities. This rarely mentioned exception led to levy growth in many communities exceeding both 2% and their net new construction percentages. Thus, although the freeze was effective in lowering average municipal levy growth, it did not “freeze” or slow levy growth uniformly throughout the state.

Levies also varied according to municipal type. City levies rose just 3.1% in 2006-07, compared to 4.8% for villages and 3.9% for towns.

Gross, Net Taxes Exceed \$8 Billion
2006-07 Property Taxes (\$ Mill.)

Unit	Amt.	% Gross
		Total
School Districts	\$3,787.8	43.5%
Municipalities	2,099.9	24.1
Counties	1,723.8	19.8
Technical Colleges	650.6	7.5
TIF	271.0	3.1
Special Districts	90.8	1.0
State	82.4	0.9
Gross Total	8,706.2	100.0
Credits	593.0	6.8
Net Total	8,113.2	93.2
Lottery Credit	144.7	1.7
Net - Lottery Credit	7,968.5	91.5

Net property tax levies rose 3.3% in 2006-07.

Counties. County levy increases were impacted significantly by the freeze. In the years leading up to the tax limits, county property taxes rose by an annual average of 5.3%. In the freeze years, growth fell to 3.3%, a two-point decrease.

In 2006-07, the increase was smaller, 3.2%. Similar to municipalities, increases varied across counties. La Crosse led the state with an 8.0% increase, followed by Winnebago (7.4%), Trempealeau (6.8%), and Calumet (6.5%).

The smallest increases were in Racine (-8.2%), Rock (1.0%), and Waukesha (1.3%). Racine’s levy change cannot be attributed to the freeze: significant special education costs were shifted from the county to local school districts. The result was a large drop in county property taxes and a similar increase in school levies.

One consequence of the freeze was that counties were reluctant to reduce their levies. Since the following year’s levy limit is based on the current levy, county boards and administrators were hesitant about reducing levy totals. In the two years of the freeze, only Racine, for extraordinary reasons, reduced its levy. In the five preceding years, an average of eight counties per year had a levy decrease.

One feature of county levies that concerned some citizens was the ability of several counties to exceed their apparent limits. Though the freeze limited them to either levy growth of 2% or the increase in net new construction, 32 (44%) of Wisconsin’s 72 counties had levy growth exceeding both measures in 2006-07.

Again, the ability to exceed the limits for debt purposes appears to have played a role. While this exception was part of the freeze leg-

In 2006-07, more than 10% of Wisconsin municipalities reduced their local levies, while nearly 8% increased them greater than 10%.

Freeze Slows, but Fails to Stop Property Tax Growth

Tax Levies and Levy Growth by Unit of Government, Prefreeze (2000-01 - 2004-05) and Freeze (2005-06 - 2006-07) Years

Year	Gross		Net		School		Municipal		County		Technical College	
	Levies	% Chg.	Levies	% Chg.	Levies	% Chg.	Levies	% Chg.	Levies	% Chg.	Levies	% Chg.
2000-01	\$6,604.5		\$6,135.2		\$2,927.8		\$1,607.1		\$1,316.1		\$466.3	
2001-02	7,043.7	6.6%	6,574.4	7.2%	3,071.8	4.9%	1,713.4	6.6%	1,420.0	7.9%	511.6	9.7%
2002-03	7,363.6	4.5	6,894.3	4.9	3,192.0	3.9	1,796.0	4.8	1,490.5	5.0	541.9	5.9
2003-04	7,687.3	4.4	7,218.0	4.7	3,367.6	5.5	1,852.7	3.2	1,544.8	3.6	565.3	4.3
2004-05	8,150.8	6.0	7,681.5	6.4	3,610.7	7.2	1,949.2	5.2	1,615.2	4.6	590.8	4.5
Average		5.4		5.8		5.4		4.9		5.3		6.1
2005-06	8,326.7	2.2	7,857.4	2.3	3,592.3	-0.5	2,028.6	4.1	1,671.1	3.5	622.0	5.3
2006-07	8,706.2	4.6	8,113.2	3.3	3,787.8	5.4	2,099.9	3.5	1,723.9	3.2	650.6	4.6
Average		3.4		2.8		2.4		3.8		3.3		4.9

isolation, it was rarely mentioned when officials of both parties were simultaneously claiming credit for “freezing” property taxes.

Property Tax Rates

During the past two years, property tax rates fell significantly. In 2004-05, the final year before the limits were implemented, the statewide net property tax rate was \$19.64 per \$1,000 in home value. In other words, someone owning a \$100,000 home in an “average Wisconsin community” would have paid \$1,964 in property taxes in 2004-05.

In 2005-06, the net rate dropped to \$18.36, a 6.5% decrease. The average rate fell another 5.8% in 2006-07 to \$17.30. Thus, rates dropped impressively during the years of the property tax freeze.

However, since property tax rates are a function of property values, as well as levies, credit for the falling rates cannot go solely to the freeze. A strong housing market and large increases in property values accounted for much of the rate drop. Indeed, in the five years before the freeze went into effect, rates fell by an average of 1.8% per year. Thus, rates fell faster during the freeze, but they would likely have fallen without them, as well.

THE FORGOTTEN FEW

As previously mentioned, other governments that use the property tax were unaffected by the freeze legislation. Combined, their levies accounted for 12.6% of the state total.

Technical Colleges

Technical college levies increased 4.6% in 2006-07. Despite the absence of any new limits, their average growth fell from 6.1% per year before the freeze to 4.9% during it.

In the past decade, technical college levies have frequently increased faster than the gross average. From 1996-97 through 2006-07, technical college levies rose 85.7%, or an average of 6.4% per year. Gross levies for all units combined rose an average of 4.9% per year over the same period. One consequence of this is that these districts are becoming a larger part of the property tax levy. In 1996-97, technical colleges accounted for 6.5% of the gross levy; in 2006-07, they were 7.5%.

Tax Increment Financing (TIF) Districts

TIF district property taxes are used to finance a variety of projects within the district. The theory behind TIF is that if infrastructure is improved in blighted areas, new development will reduce property taxes for most taxpayers in the long term. However, in the short term, TIFs often raise property taxes for local taxpayers in the areas surrounding the district.

TIF districts are the fastest-growing component of the property tax. TIF levies have soared in recent years, most recently with an 11.1% jump in 2006-07. From 1996-97 through 2006-07, TIF levies increased 155.5%, from \$106.0 million to \$271.0 million, an average of 9.8% per year.

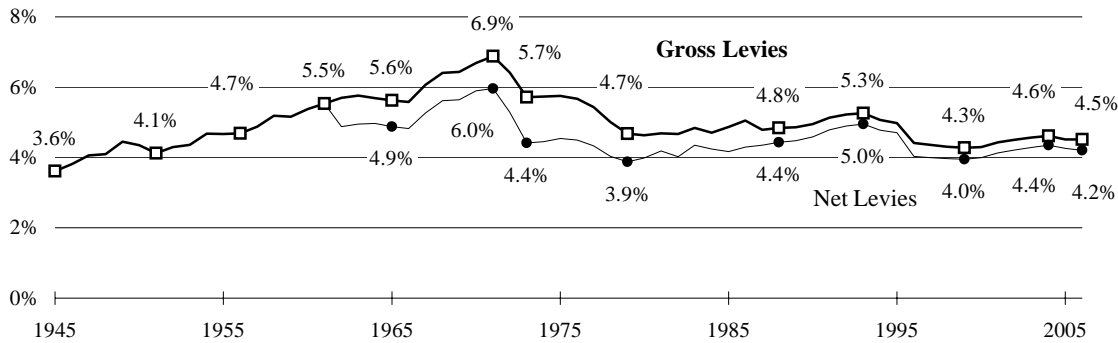
Special Districts

Special districts are local units of government created to administer a specific public service. Examples include sewerage districts, stadium districts, and regional planning commissions.

Special district levies totalled \$90.8 million in 2006-07, an increase of 2.3%. Levies have increased relatively slowly during the past decade, with annual growth averaging 3.4%.

In the past two years, just one county reduced its levy, versus an average of eight per year in the years before the freeze.

Wisconsin Property Rise and Fall
Wisconsin Gross and Net Property Tax Levies as a % of Personal Income, 1945-2006



State Levies

The state levies a property tax of \$0.20 per \$1,000 in equalized value to fund the state forestry program. Though the rate is low, it still generated \$82.4 million in 2006-07.

The state levy is unique among Wisconsin property taxes. The local governments that tax property decide what their total levies will be, and based on that information, the rate is determined. The state levy, on the other hand, has a fixed rate that determines the total levy. Consequently, the growth of the levy is tied directly to the rise in property values, and it has increased rapidly during the recent real estate boom. From 1996-97 through 2006-07, the state levy rose an average of 6.6% per year, second only to TIF taxes.

TAX RELIEF: PAST AND FUTURE

With the freeze set to expire, lawmakers must decide if they should continue the limits, alter them, or allow them to lapse entirely. Many factors must be taken into consideration, including the ability of residents to pay property taxes and the need for local governments to fund services.

Historically, property tax limits have been enacted when property taxes have accounted for a relatively large share of income. The first organized postwar effort to provide property tax relief was in 1962, when property taxes claimed 5.54% of Wisconsin income. As the chart above shows, the share of income claimed by the property tax had been increasing steadily from 1945 to 1962. The following year, the creation of new property tax credits lowered the percentage of income claimed by net taxes to 4.89%.

Before the freeze, the most recent state effort to restrain property taxes occurred in 1995-96, when the state committed to providing two-thirds of school district revenues. As a re-

sult of this shift, school district property taxes fell more than 16%.

Again, high property taxes led the state to make this commitment. After falling during much of the 1970's, levies began to increase as a share of income through the 1980's and early 1990's. By the mid-1990's, they were higher than they had been in 20 years. In 1995-96, the year before "two-thirds funding" was introduced, net property taxes claimed 4.71% of personal income. The following year, the percentage fell to 4.03%.

In 2006-07, the percentage of income claimed by net property taxes was 4.21%, down from 4.35% in 2004-05. When levies fall as a share of income, it becomes less likely that lawmakers will enact—or extend—tax limits.

The governor's original 2007-09 budget proposal called for less restrictive limits on counties and municipalities. Rather than limiting them to the greater of 2% or new construction, the proposal would allow them to increase levies by either 4% or new construction. According to the governor's supporters, this would keep property tax increases small but allow local governments flexibility to provide crucial services.

Given that control of the legislature is divided between a Republican assembly and a Democratic senate, it could be months before a budget bill is passed. It seems likely that some version of the limits will be retained, but they might not be as restrictive as the current limits.

EDITOR'S NOTE

Full property tax data by municipality are available on the WISTAX Web site, www.wistax.org, in the "Facts & Figures" section. □

DATA SOURCE:

Wisconsin Department of Revenue; WISTAX calculations.

The state forestry levy has increased an average of 6.6% per year during the past decade.

The 1995-96 "two-thirds funding" commitment reduced school levies 16.7% the following year.

Total 2005-06 Net Property Taxes in Cities Above 8,500 Population

Municipality	Est. 2006 Pop.	Equalized Value		Net Levy		Net Rate		Municipal Levy		Muni. Rate
		Amt. (Mill.)	% Chg.	Amt. (Thous.)	% Chg.	Amt.	% Chg.	Amt. (Thous.)	% Chg.	
Antigo	8,632	339.2	2.4	8,152.3	5.7	24.03	3.3	3,164.3	14.3	9.54
Appleton	72,004	4,350.2	4.4	90,637.9	1.4	20.84	-2.8	31,237.5	3.1	7.79
Ashland	8,534	410.6	9.4	7,544.4	-5.9	18.37	-13.9	2,887.7	2.0	7.27
Baraboo	11,505	762.7	9.7	15,170.4	1.0	19.89	-8.0	6,195.4	10.4	8.53
Beaver Dam	15,545	1,023.8	16.1	21,644.4	6.8	21.14	-8.0	6,394.9	4.5	7.32
Beloit	36,560	1,470.1	5.9	35,098.3	3.1	23.88	-2.7	10,415.0	4.9	7.68
Brookfield	39,740	6,242.0	4.3	102,620.1	1.1	16.44	-3.0	31,924.1	1.4	5.15
Burlington	10,485	824.0	10.4	15,708.3	4.9	19.06	-5.0	4,579.7	1.7	7.03
Cedarburg	11,425	1,165.4	8.3	19,834.5	0.9	17.02	-6.8	7,066.8	3.5	6.06
Chippewa Falls	13,515	735.7	5.4	13,999.9	-0.3	19.03	-5.3	5,274.6	0.3	7.49
Cudahy	18,430	1,246.7	11.5	28,139.5	4.6	22.57	-6.1	7,218.0	3.5	7.12
De Pere	22,495	1,737.9	5.9	34,345.1	10.8	19.76	4.6	8,065.1	18.4	5.16
Eau Claire	65,056	3,951.6	5.6	76,613.9	-0.4	19.39	-5.7	27,072.9	2.9	6.95
Elkhorn	8,820	662.1	11.4	11,229.1	4.1	16.96	-6.6	2,937.7	3.6	5.34
Fitchburg	22,900	2,296.9	9.4	43,757.2	5.9	19.05	-3.2	12,899.9	4.6	5.68
Fond du Lac	43,270	2,431.4	3.9	49,751.5	-1.1	20.46	-4.8	17,979.9	3.3	7.60
Fort Atkinson	12,080	858.7	10.3	16,786.0	7.5	19.55	-2.6	5,656.8	2.3	6.73
Franklin	33,000	3,481.8	14.9	72,079.3	5.5	20.70	-8.2	18,501.0	5.3	5.55
Glendale	12,935	1,982.0	9.1	41,816.9	2.0	21.10	-6.5	10,784.7	4.0	5.97
Green Bay	104,230	6,144.8	3.7	125,394.4	0.6	20.41	-3.0	45,603.7	3.4	7.59
Greenfield	36,150	2,968.4	7.6	61,027.5	0.7	20.56	-6.4	18,663.6	5.3	6.29
Hartford	13,035	1,070.6	10.2	19,588.7	6.2	18.30	-3.6	5,608.4	2.8	5.81
Hudson	11,700	1,475.1	9.4	20,932.3	2.0	14.19	-6.8	5,293.3	7.8	4.07
Janesville	62,540	3,927.8	7.0	80,225.3	0.6	20.42	-6.0	25,405.2	3.4	6.68
Kaukauna	14,515	863.9	8.2	17,422.5	1.8	20.17	-5.9	6,463.0	6.5	7.50
Kenosha	94,450	6,218.4	9.9	127,204.8	5.7	20.46	-3.8	47,918.8	3.6	8.06
La Crosse	51,380	2,917.1	8.5	73,012.9	3.7	25.03	-4.5	30,242.0	9.9	10.80
Madison	223,280	21,219.0	9.3	405,310.9	3.7	19.10	-5.1	142,921.9	4.9	7.00
Manitowoc	34,720	1,830.0	4.9	36,016.7	-0.5	19.68	-5.1	10,905.5	4.9	6.32
Marinette	11,500	556.7	4.5	10,920.8	0.6	19.62	-3.8	3,734.3	2.2	6.98
Marshfield	19,420	1,240.2	5.1	27,129.8	2.9	21.88	-2.2	11,073.7	1.0	9.21
Menasha	17,282	958.0	-26.3	23,009.8	-11.6	24.02	19.9	8,709.3	38.5	9.53
Menomonie	15,730	949.8	6.4	19,468.6	1.1	20.50	-5.0	4,922.6	2.2	5.26
Mequon	23,485	4,214.9	5.4	63,943.3	-2.6	15.17	-7.6	18,239.5	-6.4	4.34
Merrill	10,190	398.5	2.2	9,510.6	-4.0	23.86	-6.1	4,363.3	2.6	11.03
Middleton	16,935	2,494.7	7.0	40,934.3	2.9	16.41	-3.9	9,714.8	5.2	4.81
Milwaukee	590,370	30,227.0	15.1	635,640.0	2.9	21.03	-10.6	196,799.7	-1.9	6.71
Monroe	10,955	606.8	3.0	14,833.9	0.1	24.45	-2.8	5,522.7	0.8	9.45
Muskego	22,630	2,553.0	13.9	38,269.6	2.5	14.99	-10.0	10,807.2	0.5	4.25
Neenah	25,430	1,843.8	9.9	38,853.2	2.6	21.07	-6.6	13,561.0	4.0	7.77
New Berlin	39,260	4,558.2	7.1	73,396.8	-1.5	16.10	-8.0	21,353.0	3.4	4.68
Oak Creek	31,710	3,046.4	19.5	57,784.5	5.4	18.97	-11.8	17,990.8	4.0	5.95
Oconomowoc	13,870	1,890.4	15.0	26,341.6	7.9	13.93	-6.2	7,481.8	4.3	4.47
Onalaska	16,150	1,441.8	9.1	26,568.5	4.3	18.43	-4.4	8,543.5	6.9	5.93
Oshkosh	65,510	3,558.1	6.7	75,102.4	5.7	21.11	-0.9	25,609.7	5.2	7.66
Pewaukee	12,625	2,697.0	9.9	35,362.2	2.9	13.11	-6.3	6,594.8	-0.3	2.45
Platteville	10,065	479.1	8.8	10,255.6	14.4	21.41	5.1	3,548.7	4.2	7.88
Port Washington	10,970	835.4	8.3	13,519.9	-2.2	16.18	-9.7	4,449.2	3.5	5.33
Portage	9,963	590.7	7.9	12,171.1	4.0	20.60	-3.6	4,386.1	4.3	7.50
Racine	80,340	3,925.7	9.9	83,487.8	4.7	21.27	-4.7	40,649.6	3.6	10.86
Reedsburg	8,883	529.0	8.7	10,509.7	3.2	19.87	-5.1	3,972.5	2.9	7.74
Rice Lake	8,636	579.2	9.6	11,483.2	6.9	19.83	-2.5	4,501.7	7.4	8.01
River Falls	13,686	807.0	7.2	14,209.6	2.6	17.61	-4.3	3,994.5	8.7	5.10
Saint Francis	8,808	618.2	14.1	13,633.1	4.6	22.05	-8.3	4,994.5	3.9	8.08
Shawano	8,696	498.6	5.6	10,275.3	2.8	20.61	-2.7	3,765.6	3.8	7.99
Sheboygan	50,650	2,655.1	3.7	64,224.9	-0.3	24.19	-3.9	20,648.2	0.0	8.43
South Milwaukee	21,300	1,267.7	7.4	27,391.4	3.0	21.61	-4.1	9,112.8	2.0	7.51
Sparta	9,162	407.9	9.2	9,760.8	3.3	23.93	-5.4	2,902.3	3.1	7.57
Stevens Point	25,190	1,410.7	4.2	30,483.5	4.7	21.61	0.5	11,598.2	5.6	8.23
Stoughton	12,755	926.9	8.0	15,830.7	3.6	17.08	-4.1	6,022.5	4.1	6.64

Total 2005-06 Net Property Taxes in Cities Above 8,500 Population, Continued

Municipality	Est. 2006 Pop.	Equalized Value		Net Levy		Net Rate		Municipal Levy		Muni. Rate
		Amt. (Mill.)	% Chg.	Amt. (Thous.)	% Chg.	Amt.	% Chg.	Amt. (Thous.)	% Chg.	
Sturgeon Bay	9,745	816.7	5.3	14,823.1	-1.5	18.15	-6.4	4,805.9	-0.1	6.52
Sun Prairie	25,180	2,296.7	8.1	45,896.0	3.9	19.98	-3.9	17,444.5	6.5	7.81
Superior	27,180	1,475.8	6.8	28,253.5	0.8	19.14	-5.7	10,500.5	2.0	7.20
Tomah	8,903	504.6	5.6	11,619.9	3.3	23.03	-2.2	3,320.4	4.3	7.47
Two Rivers	12,555	537.6	4.2	12,305.2	1.3	22.89	-2.8	3,895.3	1.7	7.63
Verona	9,846	1,153.5	18.7	23,396.6	20.0	20.28	1.1	5,682.0	9.7	5.89
Watertown	23,155	1,397.3	10.9	25,792.8	4.5	18.46	-5.7	8,848.5	5.4	6.58
Waukesha	67,750	5,716.9	8.8	100,483.1	5.0	17.58	-3.4	44,245.0	5.1	7.88
Waupun	10,944	381.1	8.2	7,534.9	0.8	19.77	-6.9	2,352.0	6.9	6.31
Wausau	39,740	2,433.9	9.0	57,874.8	3.4	23.78	-5.1	18,718.9	4.2	8.27
Wauwatosa	46,120	5,505.0	7.1	105,943.3	1.8	19.25	-5.0	34,066.8	3.0	6.42
West Allis	60,300	4,271.4	11.1	95,762.6	3.6	22.42	-6.7	34,876.3	2.0	8.37
West Bend	30,090	2,397.5	9.4	42,257.7	6.4	17.63	-2.7	17,762.0	6.7	7.77
Whitewater	13,947	574.9	7.0	9,923.0	-3.7	17.26	-9.9	2,602.2	4.4	5.10
Wisconsin Rapids	18,565	953.4	5.2	22,527.0	0.9	23.63	-4.1	9,856.9	2.9	10.40

Total 2005-06 Net Property Taxes in Villages Above 8,500 Population

Municipality	Est. 2006 Pop.	Equalized Value		Net Levy		Net Rate		Municipal Levy		Muni. Rate
		Amt. (Mill.)	% Chg.	Amt. (Thous.)	% Chg.	Amt.	% Chg.	Amt. (Thous.)	% Chg.	
Allouez	15,400	975.5	5.1	18,023.1	0.8	18.48	-4.0	5,538.4	2.0	5.68
Ashwaubenon	17,720	2,056.9	5.8	37,072.3	1.9	18.02	-3.7	7,819.8	2.2	4.62
Bellevue	14,135	999.0	7.4	15,214.5	4.8	15.23	-2.4	2,221.2	20.0	2.22
Brown Deer	11,750	1,075.3	10.0	24,392.6	0.4	22.68	-8.7	7,175.3	3.0	6.81
Caledonia	24,770	2,148.8	10.2	34,670.6	4.5	16.13	-5.2	11,832.5	9.8	5.51
Germantown	19,640	2,217.0	7.8	37,195.3	-0.8	16.78	-7.9	9,282.7	7.2	4.44
Grafton	11,380	1,082.0	8.8	18,853.9	4.0	17.42	-4.5	6,259.2	3.5	6.01
Greendale	14,040	1,367.2	5.8	30,549.2	2.9	22.34	-2.8	8,482.9	2.0	6.20
Howard	15,755	1,296.0	9.7	21,165.2	3.7	16.33	-5.5	4,156.9	3.3	3.40
Little Chute	10,955	641.9	6.4	12,829.1	3.3	19.99	-2.9	3,472.7	2.2	6.00
Menomonee Falls	34,070	4,240.5	7.9	67,258.1	2.8	15.86	-4.7	19,387.1	2.9	4.92
Mount Pleasant	25,430	2,562.3	12.0	40,898.8	7.2	15.96	-4.3	13,639.3	6.1	5.32
Oregon	8,535	761.4	15.3	13,176.6	7.6	17.30	-6.7	3,614.2	7.0	4.82
Pewaukee	8,964	920.3	5.6	14,652.7	-3.3	15.92	-8.3	3,901.7	-4.9	4.34
Pleasant Prairie	18,990	2,489.0	11.0	39,568.8	7.4	15.90	-3.2	7,319.6	4.8	3.14
Plover	11,445	801.9	11.7	15,700.7	11.3	19.58	-0.3	4,755.0	7.1	6.12
Shorewood	13,470	1,458.6	5.2	33,427.5	2.3	22.92	-2.7	8,932.8	2.8	6.41
Suamico	10,810	923.0	9.3	15,793.0	4.5	17.11	-4.4	3,887.9	8.7	4.23
Sussex	9,908	1,114.8	11.8	16,443.8	4.9	14.75	-6.2	3,850.7	7.9	3.90
Waunakee	10,755	1,143.1	12.5	19,990.1	7.3	17.49	-4.7	6,544.8	11.2	5.87
Weston	13,350	867.4	15.4	17,436.8	10.6	20.10	-4.1	3,885.7	9.7	5.19
Whitefish Bay	13,885	1,897.8	6.6	38,538.7	2.4	20.31	-3.9	8,811.2	2.4	4.66

Total 2005-06 Net Property Taxes in Towns Above 8,500 Population

Municipality	Est. 2006 Pop.	Equalized Value		Net Levy		Net Rate		Municipal Levy		Muni. Rate
		Amt. (Mill.)	% Chg.	Amt. (Thous.)	% Chg.	Amt.	% Chg.	Amt. (Thous.)	% Chg.	
Grand Chute	20,425	2,210.7	7.0	37,796.8	3.4	17.10	-3.3	7,928.6	5.3	3.59
Greenville	8,750	816.8	10.3	12,619.9	6.3	15.45	-3.6	1,554.6	8.3	1.90
Lisbon	9,814	1,070.7	6.7	14,153.5	1.2	13.22	-5.2	2,697.0	6.4	2.52
Menasha	17,005	1,321.1	1.7	25,406.5	-2.4	19.23	-4.0	6,564.1	4.4	4.97
Richfield	11,385	1,466.6	10.9	20,407.8	2.9	13.92	-7.2	1,818.3	4.0	1.24
Salem	11,260	1,133.0	12.0	17,821.2	4.7	15.73	-6.6	3,038.2	11.2	2.68
Somers	9,389	763.5	12.3	12,205.2	8.3	15.99	-3.6	2,529.3	4.9	3.31
Waukesha	8,885	1,007.9	9.4	11,566.1	4.9	11.48	-4.1	1,572.1	1.8	1.56

AROUND THE STATE

■ **Interstate Property Taxes.** A recently released tax study shows Wisconsin's residential property taxes were among the top five nationally. Among comparisons of the largest city in each state, Milwaukee ranked fifth. And in a comparison of typical rural cities, Wisconsin ranked fourth. While many states have tax benefits that reduce the tax burden for residential properties, Wisconsin has relatively few. Because of a clause in the state constitution, all classes of property must be taxed in a uniform manner.

The study, by the Minnesota Taxpayers Association, compared 2006 property tax burdens in all 50 states for various classes of property in both urban and rural areas.

Wisconsin fared better among commercial and industrial comparisons, in part because many other states tax these properties at higher rates than homes. The tax burden for a \$25 million commercial property in Milwaukee ranked 18th, while a comparable business ranked 11th in rural areas. The industrial burden was even lower: a \$25 million industrial property ranked 30th among cities and 25th among rural areas.

■ **UW Service.** According to the 2006 National Survey of Student Engagement, 75% of UW seniors either volun-

teered or planned to volunteer before their graduation, compared to 71% of seniors nationally. UW students had a greater likelihood of believing that volunteer work contributed to their "knowledge, skills, and personal development in voting in local, state, or national elections," with 39% of UW seniors believing the volunteer work contributed "quite a bit" or "very much," compared to 32% of all seniors.

WISTAX FOCUS

■ **State Budget.** WISTAX takes a closer look at the state budget process in two recent issues of its *Focus* newsletter. "The state budget and gubernatorial ghosts" (*Focus* #12-07) examines fundamental issues underlying state finance, including a \$2.15 billion annual deficit, -\$8.23 billion in unrestricted net assets, and bond ratings.

The second issue, "Big differences make budget compromise hard" (*Focus* #13-07) explains that tight state finances, basic philosophical differences between the parties, and the budget process itself could lead to a long delay in the legislature sending a budget bill to the governor. With legislative control divided between Republicans and Democrats, it may be difficult for a joint legislative conference committee to compromise on legislation that is acceptable to a majority in both houses.

NEW! MUNICIPAL SPENDING REPORT

The 2007 edition of *MunicipalFacts* is now available! *MunicipalFacts* is Wisconsin's best source for financial and demographic information in Wisconsin's major cities and villages. It includes information on municipal spending, property taxes, debt, shared revenues, income, and population. Five years of data enable you to see how finances have changed, and easy-to-understand charts and tables make comparing your municipality to its peers simple. This year's edition includes net spending levels for more powerful comparisons.

MunicipalFacts07 has information on 229 cities and villages in Wisconsin with populations of 2,000 to 150,000. The 102-page book is available for \$16.95. To find out if your municipality is included, or for more details, contact WISTAX at 608.241.9789 or wistax@wistax.org.

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • www.wistax.org

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