



Property Tax Level in Wisconsin

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13

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Prepared by

Rick Olin

Wisconsin Legislative Fiscal Bureau
One East Main, Suite 301
Madison, WI 53703

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Introduction

The property tax is the largest source of state and local tax revenue in Wisconsin. Local governments levy 99% of the tax, and the remaining 1% is collected by the state. Prior to 1900, the property tax was the state government's largest tax. As the state's economy has diversified, state government has come to rely on other tax sources and has established various aid programs to reduce local reliance on the property tax. The only remaining state property tax is the state forestation tax, which is levied at a rate of \$0.20 per \$1,000 of value. The resulting revenue (\$72.1 million in 2003-04) is segregated for use in state forestry programs.

The following sections describe seven aspects of Wisconsin's property tax system: (1) reliance of local governments on the property tax; (2) measures of property tax levels in Wisconsin and other states; (3) property tax distribution by type of taxpayer; (4) changes in state taxes, state assistance, property taxes; and inflation since 1970; (5) changes in property tax levies by taxing jurisdiction; (6) property tax rates; and (7) property taxes paid on a median-valued home.

Local Government Reliance on Property Tax Revenues

The property tax is the major source of tax revenue for local governments in Wisconsin and 47 other states. The general sales tax is the largest local government tax source in Arkansas and Louisiana. Based on the most recent data available from the U.S. Bureau of the Census, Table 1 compares the composition of local government revenue in

Wisconsin to the U.S. average. As shown, Wisconsin local governments rely on the property tax more than the U.S. average for local governments. Wisconsin governments also have a greater reliance on intergovernmental revenues, while "own source" revenues are more significant, on average, for governments in other states.

Table 1: Composition of Local Government Revenues (Wisconsin Versus U.S. Average, 2001-02)

	Wisconsin	U.S. Average
Property Tax	32.7%	27.1%
Sales and Gross Receipts Taxes	1.4	6.2
Income Tax	N.A.	2.0
Other Taxes	0.8	1.8
Charges and Miscellaneous	<u>17.7</u>	<u>22.9</u>
Total Own Source Revenues	52.6%	60.0%
Intergovernmental Revenues	<u>47.4</u>	<u>40.0</u>
Total Local Government Revenues	100.0%	100.0%

Source: U.S. Department of Commerce, Bureau of the Census; Government Finances, 2001-02.

Wisconsin local governments may not levy a property tax unless authorized by state law. Each of the types of local units with taxing authority is described below. Table 2 reports the composition of revenues for all but special purpose districts.

Towns, Villages, and Cities. There are 190 cities, 397 villages, and 1,264 towns in Wisconsin. They are sometimes called "general purpose governments" because they provide a variety of public services, including police and fire protection, sanitation, transportation, and recreation. Municipalities rely on a more diverse array of revenue sources than other local governments to fund these services. However, the property tax represents the most significant tax available to municipalities and,

Table 2: Revenue Sources for Local Governments (\$ in Millions)

	Gross Property Tax	Other Taxes	Intergovernmental Aids	Other Revenues	Total
Towns (2003)					
Amount	\$303.9	\$17.2	\$239.0	\$193.7	\$753.8
Percent	40.3%	2.3%	31.7%	25.7%	
Villages (2003)					
Amount	\$311.7	\$47.7	\$157.9	\$620.8	\$1,138.1
Percent	27.4%	4.2%	13.9%	54.5%	
Cities (2003)					
Amount	\$1,368.4	\$167.6	\$1,253.2	\$2,760.0	\$5,549.2
Percent	24.7%	3.0%	22.6%	49.7%	
Counties (2003)					
Amount	\$1,490.8	\$295.2	\$1,900.1	\$2,717.3	\$6,403.4
Percent	23.3%	4.6%	29.7%	42.4%	
School Districts (2002-03)					
Amount	\$3,192.0	\$0.0	\$5,257.0	\$489.8	\$8,938.8
Percent	35.7%	0.0%	58.8%	5.5%	
Technical College Districts (2002-03)					
Amount	\$541.9	\$0.0	\$258.9	\$343.0	\$1,143.8
Percent	47.4%	0.0%	22.6%	30.0%	

on average, it represents over 25% of all municipal revenue. Other taxes that municipalities may impose include the room tax, motor vehicle "wheel" tax, mobile home fees, premier resort area tax, and special assessments.

Counties. Like municipalities, the state's 72 counties perform a variety of services that may be characterized as "general purpose." However, almost 40% of all county expenditures are dedicated to health and human service functions. In addition to the property tax, counties may impose sales and use taxes, which represent the majority of other county taxes.

Elementary and Secondary School Districts. The state is divided into 426 elementary and secondary school districts. Unlike municipalities and counties, these districts perform a single function--education. Prior to 1996-97, the property tax was the most significant revenue source of school districts and comprised almost half of all school dis-

trict revenues. However, increases in state aid resulting from the state commitment to provide two-thirds of partial school revenues on a state-wide basis have caused intergovernmental aids to become the most significant revenue source for school districts. Even though the state discontinued the "two-thirds" policy after 2002-03, intergovernmental revenues continue to be the largest revenue source for school districts.

Technical College Districts. There are 16 technical college districts in the state. They provide post-secondary education through courses leading to associate degrees and vocational diplomas, college parallel courses, and continuing education courses. The property tax accounts for 47.4% of their revenues and is the districts' most significant revenue source.

Special Purpose Districts. In addition to the districts described above, other special purpose districts are authorized to levy property taxes. These include seven metropolitan sewerage districts, 319 town sanitary districts, and 214 inland lake rehabilitation districts. Although they may have a tax levy, many special purpose districts raise most of their revenues through user fees.

Measures of Property Tax Level

Wisconsin local governments' heavy reliance on the property tax has contributed to above-average property tax levels. Two widely used measures of tax levels are property taxes per \$1,000 of personal income and property taxes per capita. Table 3 shows Wisconsin's ranking under these measures since 1970. Wisconsin's property tax level exceeded the U.S. average under both measures in all periods examined. This comparison is based on the most recent data provided by the U.S. Department of Commerce.

Table 3: Wisconsin State and Local Property Taxes Per \$1,000 of Personal Income and Per Capita

	Property Taxes			Property Taxes Per Capita		
	Per \$1,000 of Personal Income		Percent of 50 State Average	Per Capita		Percent of 50 State Average
	Amount	Rank Among 50 States*		Amount	Rank Among 50 States*	
1970	\$63.35	4	138.5%	\$220.50	6	131.6%
1975	52.13	13	116.6	271.09	14	112.2
1980	35.43	19	119.6	360.45	16	119.3
1985	43.46	10	137.4	571.81	11	131.3
1990	43.01	12	126.5	736.13	15	118.4
1995	48.04	7	137.8	1,018.49	10	133.5
2000	39.32	10	123.0	1,058.70	11	120.0
2002	40.76	8	127.3	1,188.63	12	122.7

*Does not include the District of Columbia.
Source: U.S. Department of Commerce.

Property Tax Distribution by Type of Taxpayer

This section provides estimates of the percent of total property taxes borne by different types of property over the last 33 years. The analysis examines taxes levied in 1970 (payable in 1971), 1975(76), 1980(81), 1985(86), 1990(91), 1995(96), 2000(01), and 2003(04). The Department of Revenue annually reports gross property tax levies by class of property. Two adjustments have been made to the Department's figures. First, taxes on personal property have been allocated by type of taxpayer. Second, state property tax credits have been apportioned to distinguish between the gross and net tax burdens.

Table 4 reports property tax levies net of state property tax credits by type of taxpayer between 1970(71) and 2003(04). Over this period, taxes increased more rapidly on commercial and residential property than on manufacturing and other property. As a result, residential and commercial property have borne increasing shares of the tax burden, while decreasing shares have been borne by manufacturing and other property. Several fac-

tors explain the shift in tax shares.

First, some types of property have been exempted through state law changes. Manufacturers' machinery and equipment (M&E) was exempted in 1974. In 1977, the Legislature chose to gradually exempt farmers' livestock and commercial and manufacturing inventories by assessing them at increasingly lower percentages of full value until they became entirely exempt in 1981. The exemption for computers and related equipment took effect in 1999 and removed \$2.3 billion in tax base. At the time of their enactment, these three exemptions collectively represented 18% of the remaining statewide taxable value. Some of the reduction in agricultural taxes between 1995(96) and 2003(04) was caused by phasing-in use value assessment for agricultural land.

Second, property has been added or removed since 1970(71). The majority of new construction has been for residential and commercial uses. As that tax base has been added, residential and commercial taxpayers have borne an increasing percentage of total taxes. Other properties have been demolished or converted to other uses. This accounts for some of the reduction in the percent of taxes borne by manufacturing property. Similarly, farmland has been converted to other uses as the number of farms has declined from about 110,000 in 1970 to 76,500 in 2003.

Finally, economic conditions explain some of the shifts. For example, national economic conditions associated with recessionary periods caused some reductions in manufacturing, commercial, and agricultural tax base during the 1980s. As a result, taxes on that property either declined or grew at a slower rate.

Table 4: Net Property Tax by Type of Taxpayer (\$ in Millions)

	1970(71)	1975(76)	1980(81)	1985(86)	1990(91)	1995(96)	2000(01)	2003(04)
Residential	\$526.1	\$699.3	\$1,124.1	\$1,617.5	\$2,458.9	\$3,369.9	\$4,079.3	\$4,916.5
Commercial	202.0	279.4	361.2	573.8	971.3	1,206.0	1,321.8	1,520.2
Real Estate	169.0	231.4	311.6	487.8	822.6	1,023.6	1,166.5	1,364.5
Personal Property	33.0	48.0	49.6	86.0	148.7	182.4	155.3	155.7
Manufacturing	184.1	119.3	128.0	173.4	239.2	275.1	280.8	292.7
Real Estate	115.0	77.8	93.3	128.1	166.6	196.8	227.9	243.7
Personal Property	69.1	41.5	34.7	45.3	72.6	78.3	52.9	49.0
Other	127.2	164.9	287.8	379.7	399.5	416.1	364.8	372.9
Agricultural/Other	108.6	148.1	257.5	335.5	342.6	352.8	255.2	204.9
Swamp/Waste/ Forest	5.9	10.1	26.1	42.2	53.5	59.3	105.6	164.0
Other Personal	<u>12.7</u>	<u>6.7</u>	<u>4.2</u>	<u>2.0</u>	<u>3.4</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total	\$1,039.4	\$1,262.9	\$1,901.1	\$2,744.4	\$4,068.9	\$5,267.1	\$6,046.7	\$7,102.3

Percent of Total

Residential	50.6%	55.4%	59.1%	58.9%	60.4%	64.0%	67.5%	69.2%
Commercial	19.4	22.1	19.0	20.9	23.9	22.9	21.9	21.4
Real Estate	16.3	18.3	16.4	17.8	20.2	19.4	19.3	19.2
Personal Property	3.2	3.8	2.6	3.1	3.7	3.5	2.6	2.2
Manufacturing	17.7	9.4	6.7	6.3	5.9	5.2	4.6	4.1
Real Estate	11.1	6.2	4.9	4.7	4.1	3.7	3.7	3.4
Personal Property	6.6	3.3	1.8	1.7	1.8	1.5	0.9	0.7
Other	12.2	13.1	15.1	13.8	9.8	7.9	6.0	5.3
Agricultural/Other	10.4	11.7	13.5	12.2	8.4	6.7	4.2	2.9
Swamp/Waste/ Forest	0.6	0.8	1.4	1.5	1.3	1.1	1.7	2.3
Other Personal	<u>1.2</u>	<u>0.5</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Some totals may not add due to rounding.

State Taxes, Local Assistance, Net Property Taxes, and Inflation Since 1970

Since its adoption of the state income tax in 1911, Wisconsin has used state tax collections to provide assistance to local governments. One of the major goals of the local assistance programs has been to reduce local reliance on the property tax and provide property tax relief. Tables 5 and 6 examine changes in state taxes, local assistance, and net property tax levies over five-year intervals from 1970-71 to 2000-01, plus 2003-04.

The tables show that state taxes and local assistance have grown at greater rates between 1970-71 and 2003-04 than net property taxes. However, the relationship between the three factors has varied over the period. For example, state taxes grew more rapidly than local assistance between 1975-76 and 1985-86, but local assistance increases outpaced state tax growth between 1985-86 and 1990-91 and between 1995-96 and 2000-01.

The latter period reflects a significant increase in funding for local assistance that occurred in 1996-97 as the state began providing two-thirds of partial school revenues on a statewide basis. Between 1995-96 and 2000-01, funding for local assistance increased annually by 6.5%, on average,

and, in response, the rate of increase in net property taxes averaged only 2.8%.

In addition, the totals in the table are converted to per capita amounts and the change in the Consumer Price Index for all urban consumers (CPI-U) is reported in Table 6 to reflect whether local assistance dollars have been used to maintain or increase local service levels. Although growth in local assistance failed to keep pace with inflation and population growth combined between 1975-76 and 1980-81, growth in per capita local assistance exceeded the inflation rate in each of the other periods examined. Since 1980-81, per capita local assis-

Table 5: State Taxes, Local Assistance, and Net Property Tax Levies (Total \$ in Millions)

	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	2000-01	2003-04
State Taxes								
Total	\$1,381.3	\$2,440.1	\$3,659.0	\$5,799.0	\$7,056.8	\$9,440.5	\$11,537.2	\$12,461.9
Per Capita	313	572	773	1,211	1,434	1,836	2,136	2,252
Local Assistance								
Total	899.4	1,644.6	2,091.7	3,100.9	4,190.3	5,530.1	7,590.9	7,738.8
Per Capita	204	386	442	647	852	1,075	1,406	1,399
Net Property Tax Levy								
Total	1,039.4	1,262.9	1,901.1	2,744.4	4,068.9	5,267.1	6,046.7	7,102.3
Per Capita	235	296	402	573	827	1,024	1,120	1,284

Table 6: Annualized Percent Change in State Taxes, Local Assistance, and Net Property Tax Levies

	1970-71 to 1975-76	1975-76 to 1980-81	1980-81 to 1985-86	1985-86 to 1990-91	1990-91 to 1995-96	1995-96 to 2000-01	1970-71 to 2003-04
State Taxes							
Total	12.1%	8.4%	9.6%	4.0%	6.0%	4.1%	6.9%
Per Capita	12.9	6.2	9.4	3.4	5.1	3.1	6.2
Local Assistance							
Total	12.8	4.9	8.2	6.2	5.7	6.5	6.7
Per Capita	13.6	2.8	7.9	5.6	4.8	5.5	6.0
Net Property Tax Levy							
Total	4.0	8.5	7.6	8.2	5.3	2.8	6.0
Per Capita	4.7	6.3	7.4	7.6	4.4	1.8	5.3
Consumer Price Index							
All Urban Consumers	7.0	9.8	3.9	4.4	2.9	2.6	4.8

tance increases have exceeded the rate of inflation. Between 1980-81 and 1995-96, per capita property tax increases also were higher than inflation. Since then, the rate of inflation has exceeded the rate of increase in per capita property taxes.

Table 7 presents funding levels since 1996 for the local assistance programs with appropriations

over \$100 million in each of these years. Over that period, assistance for school districts and technical colleges has grown more rapidly than assistance for municipalities and counties. The largest increases occurred between 1996 and 1997, when additional school aid funding was provided as part of the plan for the state to fund two-thirds of partial school revenues on a statewide basis.

Table 7: Selected Major State Aid Programs (\$ in Millions)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Direct Aid to Counties and Municipalities										
Shared Revenue & Related Programs	\$1,008.6	\$1,008.6	\$1,008.6	\$1,008.6	\$1,019.2	\$1,019.2	\$1,029.4	\$1,039.7	\$951.7	\$952.3
General Transportation Aid	284.4	292.9	326.5	326.5	348.5	348.5	359.0	373.3	373.3	373.3
Community Aids*	<u>331.9</u>	<u>303.4</u>	<u>303.1</u>	<u>295.5</u>	<u>306.5</u>	<u>302.3</u>	<u>262.9</u>	<u>261.7</u>	<u>206.2</u>	<u>206.2</u>
TOTAL	\$1,624.9	\$1,604.9	\$1,638.2	\$1,630.6	\$1,674.2	\$1,670.0	\$1,651.3	\$1,674.7	\$1,531.2	\$1,531.8
% Change		-1.2%	2.1%	-0.5%	2.7%	-0.2%	-1.1%	1.4%	-8.6%	0.0%
Tax Credits										
School Levies Credit	\$319.3	\$469.3	\$469.3	\$469.3	\$469.3	\$469.3	\$469.3	\$469.3	\$469.3	\$469.3
Lottery Credit	<u>156.2</u>	<u>0.0</u>	<u>205.8</u>	<u>142.7</u>	<u>216.2</u>	<u>90.6</u>	<u>105.0</u>	<u>105.1</u>	<u>118.2</u>	<u>133.1</u>
TOTAL	\$475.5	\$469.3	\$675.1	\$612.0	\$685.5	\$559.9	\$574.3	\$574.4	\$587.5	\$602.4
% Change		-1.3%	43.9%	-9.3%	12.0%	-18.3%	2.6%	0.0%	2.3%	2.5%
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Aid to School Districts and Technical Colleges										
General School Aid**	\$2,349.1	\$3,184.5	\$3,396.0	\$3,562.5	\$3,767.9	\$3,931.9	\$4,051.6	\$4,200.9	\$4,273.1	\$4,317.5
Categorical School Aid	364.0	381.5	408.7	426.9	458.3	531.4	550.8	574.2	533.2	540.4
Technical College Aid	<u>124.4</u>	<u>124.4</u>	<u>126.9</u>	<u>128.6</u>	<u>130.1</u>	<u>140.7</u>	<u>139.3</u>	<u>137.3</u>	<u>135.7</u>	<u>138.0</u>
TOTAL	\$2,837.5	\$3,690.4	\$3,931.6	\$4,118.0	\$4,356.3	\$4,604.0	\$4,741.7	\$4,912.4	\$4,942.0	\$4,995.9
% Change		30.1%	6.5%	4.7%	5.8%	5.7%	3.0%	3.6%	0.6%	1.1%
GRAND TOTAL	\$4,937.9	\$5,764.6	\$6,244.9	\$6,360.6	\$6,716.0	\$6,833.9	\$6,967.3	\$7,161.5	\$7,060.7	\$7,130.1
% Change		16.7%	8.3%	1.9%	5.6%	1.8%	2.0%	2.8%	-1.4%	1.0%

*Beginning in 1997, funding for child care was transferred to a separate appropriation for the Department of Workforce Development under provisions of 1995 Wisconsin Act 289. Beginning in 2002, amounts reflect transfers to Family Care and adjustments for Milwaukee County's contribution for child welfare services. Decreases in 2004 and 2005 were offset with medical assistance payment increases.

**Includes general aid to county children with disabilities education boards.

Changes in Property Tax Levies by Taxing Jurisdiction

Changes in property tax levies have varied by type of taxing jurisdiction between 1970(71) and 2003(04). Table 8 reports that gross tax levies increased by an average, annual rate of 5.8% over that period.

Elementary and secondary school levies comprised over half of total levies between 1970 and 1995, but decreased to 43.8% of total levies by 2003(04). State funding of two-thirds of partial school revenues on a statewide basis between 1996(97) and 2002(03) and school district revenue

limits are the primary causes for the decrease. Since 1970, school levies increased at the lowest average, annualized rate (5.0%). In Table 8, the growth rates for school levies may be overstated for 1980 to 1985 and understated for 1985 to 1990 because the table reflects 1985(86) tax levies prior to the application of \$155 million in school aid tax credits. Subsequently, funding for the credits was converted to direct school aids. If the credits are subtracted from the 1985(86) levy, average annual school tax increases of 5.4% from 1980 to 1985 and 8.3% from 1985 to 1990 result.

Technical college district levies increased at the highest annual growth rate between 1970 and 2003. Above average growth rates throughout the 1970s coincided with the transformation of the vocational education system from a municipal basis to a

Table 8: Total Property Tax Levy by Taxing Jurisdiction (\$ in Millions)

Year Levied	Gross Property Tax*	Municipal & Special District	County	Elementary & Secondary (K-12) Schools	Technical College Districts
1970(71)					
Amount	\$1,179.0	\$220.8	\$251.1	\$674.0	\$26.2
Percent	100.0%	18.7%	21.3%	57.2%	2.2%
1975(76)					
Amount	\$1,601.3	\$369.9	\$241.4	\$899.5	\$78.9
Percent	100.0%	23.1%	15.1%	56.2%	4.9%
1980(81)					
Amount	\$2,210.0	\$479.6	\$355.5	\$1,219.9	\$133.4
Percent	100.0%	21.7%	16.1%	55.2%	6.0%
1985(86)					
Amount	\$3,203.5	\$765.2	\$489.8	\$1,738.3	\$185.6
Percent	100.0%	23.9%	15.3%	54.3%	5.8%
1990(91)					
Amount	\$4,388.2	\$1,070.6	\$697.5	\$2,356.4	\$235.4
Percent	100.0%	24.4%	15.9%	53.7%	5.4%
1995(96)					
Amount	\$5,738.9	\$1,379.2	\$964.5	\$3,023.6	\$331.3
Percent	100.0%	24.0%	16.8%	52.7%	5.8%
2000(01)					
Amount	\$6,604.5	\$1,837.1	\$1,316.1	\$2,927.8	\$466.3
Percent	100.0%	27.8%	19.9%	44.3%	7.1%
2003(04)					
Amount	\$7,687.3	\$2,137.5	\$1,544.8	\$3,367.6	\$565.3
Percent	100.0%	27.8%	20.1%	43.8%	7.4%
Annualized Average Growth Rates					
1970-75	6.3%	10.9%	-0.8%	5.9%	24.6%
1975-80	6.7	5.3	8.0	6.3	11.1
1980-85	7.7	9.8	6.6	7.3	6.8
1985-90	6.5	6.9	7.3	6.3	4.9
1990-95	5.5	5.2	6.7	5.1	7.1
1995-00	2.8	5.9	6.4	-0.6	7.1
2000-03	5.2	5.2	5.5	4.8	6.6
1970-2003	5.8%	7.1%	5.7%	5.0%	9.8%

*The state forestry tax is not reflected and accounts for the remainder of the total levy.

statewide system (see the Legislative Fiscal Bureau's informational paper entitled, "Wisconsin Technical College System"). From 1980 through 1990, growth in technical college levies was lower than that for other taxing jurisdictions, but the pattern since 1990 has been for levy increases greater than that for other taxing jurisdictions.

County levies changed at annual rates below the state average between 1970 and 1975 and between 1980 and 1985. During those periods, the state assumed county costs for certain health and

social services programs (1972 and 1973) and the Milwaukee Metropolitan Sewerage District assumed levying authority for its taxes from Milwaukee County (1982 and 1983). During each other period examined, growth in county levies exceeded the rate of change for total levies. Municipal and special purpose district levies increased at rates below the growth rates for total levies between 1975 and 1980 and between 1990 and 1995. They increased at a more rapid rate than the rate of change for total levies during each other period examined, except for 2000 to 2003 when municipal and special purpose district levies increased at the same rate (5.2%) as for total levies.

Property Tax Rates

Table 9 shows the cyclical nature of changes in the state average property tax rate. Over the period displayed, the rate peaked in 1971(72). During the 1970s, the state average tax rate declined as growth in property values exceeded tax levy increases. However, that relationship reversed in the 1980s, causing increases in the state average tax rate. Increases continued through 1992(93), when the rate approached the 1971 average. Since 1992(93), the state average rate has fallen each year.

Estimated Property Tax Bills

Table 10 provides estimates of tax bills for a median-valued home between 1992(93) and 2003(04). The amounts were calculated by multiplying statewide average tax rates by estimated home values. The home values are based on the 2000 median home value for Wisconsin, which was determined in the 2000 decennial, U.S. census. The values for the other years were calculated by ad-

Table 9: Change in the State Average Property Tax Rate -- 1970(71) to 2003(04)

Year Levied (Collected)	Full Value of All Property	Statewide Property Tax Levy		Tax Rate Per \$1,000 of Value	
		Gross	Net	Gross	Net
1970(71)	\$34,790,499,300	\$1,178,975,199	\$1,039,383,102	\$33.89	\$29.88
1975(76)	58,549,890,092	1,601,263,271	1,262,918,209	27.35	21.57
1980(81)	108,480,469,889	2,210,004,212	1,901,104,090	20.37	17.52
1985(86)	123,021,487,280	3,203,487,573	2,744,387,590	26.04	22.31
1990(91)	141,370,307,160	4,388,165,512	4,068,860,512	31.04	28.78
1995(96)	201,538,109,000	5,738,930,868	5,263,965,968	28.48	26.12
2000(01)	286,321,491,800	6,604,531,375	6,046,744,052	23.07	21.12
2003(04)	360,710,211,300	7,687,307,320	7,102,827,720	21.31	19.69
Annualized Average Growth Rates					
1970 - 1975	11.0%	6.3%	4.0%	-4.2%	-6.3%
1975 - 1980	13.1	6.7	8.5	-5.7	-4.1
1980 - 1985	2.5	7.7	7.6	5.0	4.9
1985 - 1990	2.8	6.5	8.2	3.6	5.2
1990 - 1995	7.3	5.5	5.3	-1.7	-1.9
1995 - 2000	7.3	2.8	2.8	-4.1	-4.2
2000 - 2003	8.0	5.2	5.5	-2.6	-2.3
1970 - 2003	7.3%	5.8%	6.0%	-1.4%	-1.3%

Net tax levies and rates include reductions for credits that were not extended to all property owners: personal property tax relief (PPTR) for owners of Line A personal property in 1970(71) through 1980(81) and the lottery credit for property used as the owner's principal residence in 1995(96), 2000(01), and 2003(04).

justing the 2000 value according to the change in residential property values caused by economic factors, as reported by the Department of Revenue. The Department calculates that change annually as a component of equalized values, which it certifies each August 15. Changes to the state's housing stock due to demolitions and new construction probably cause the estimated home values to differ from the actual median value for the state in all years except 2000.

During the twelve-year period, the event having the greatest impact on the tax bill estimates was the state's assumption of funding two-thirds of partial school revenues on a statewide basis in 1996(97). In that year, the tax bill estimates decreased by 7.8% (gross) and 5.9% (net). To ease the transition to two-thirds funding, the level of state support for school funding was increased in 1994(95) and 1995(96). As a result, the rate of tax bill increases was reduced in each of those years, relative to the increase in 1993(94). Provisions establishing the two-thirds funding requirement were repealed effective with the 2003-04 school year. Relative to the period from 1996(97) to 2002(03), school tax levies increased by above average amounts in 2003(04), but municipal, county,

and technical college levies increased by below-average amounts. This resulted in the third lowest tax bill change since 1996(97).

In addition, since 1996(97), net tax bill decreases and increases have been influenced by changes in the lottery credit. After initially being extended exclusively to homeowners, credits were not distributed in 1996(97) after a circuit court decision found the credit unconstitutional. This caused lottery proceeds to accumulate over two years for distribution in 1997(98), when a new mechanism that allocated credits to all taxable property was enacted. In 1998(99), when lottery proceeds from only a single year were available for distribution, the average lottery credit declined and the net tax bill increased. After the Wisconsin Constitution was amended to permit a targeted lottery credit, the credit was again extended exclusively to homeowners, beginning in 1999(00). Also for that year, the Legislature enacted provisions to increase the credit on a one-time basis by transferring certain lottery fund expenditures to the general fund. Because this transfer occurred only in 1999(00), the credit decreased in 2000(01) when the lottery expenditures were transferred back to the lottery fund.

Table 10: Estimated Property Tax Bills for a Median-Valued Home Based on Statewide Average Tax Rates

	1992(93)	1993(94)	1994(95)	1995(96)	1996(97)	1997(98)	1998(99)	1999(00)	2000(01)	2001(02)	2002(03)	2003(04)
Value	\$71,789	\$76,226	\$81,478	\$87,295	\$92,472	\$97,188	\$101,095	\$106,160	\$112,200	\$119,370	\$126,473	\$133,821
Type of Tax												
School	\$1,307	\$1,354	\$1,344	\$1,335	\$1,098	\$1,102	\$1,134	\$1,137	\$1,173	\$1,202	\$1,233	\$1,280
Municipal	461	478	501	518	551	575	595	605	644	671	694	704
County	375	390	408	426	442	464	480	495	527	556	576	587
Technical College	124	131	139	146	152	158	164	175	187	200	209	215
Other	55	59	60	59	47	49	50	50	51	55	58	58
Gross Tax	\$2,322	\$2,412	\$2,452	\$2,484	\$2,290	\$2,348	\$2,423	\$2,462	\$2,582	\$2,684	\$2,770	\$2,844
Tax Credits												
School Levy	-144	-142	-141	-138	-200	-196	-191	-187	-184	-179	-177	-174
Lottery & Gaming	-168	-108	-112	-126	0	-77	-52	-166	-67	-77	-76	-83
Net Tax Bill	\$2,010	\$2,162	\$2,199	\$2,220	\$2,090	\$2,075	\$2,180	\$2,109	\$2,331	\$2,428	\$2,517	\$2,587
Change from Prior Year												
Gross Tax Amount	\$90	\$40	\$32	\$32	-\$194	\$58	\$75	\$39	\$120	\$102	\$86	\$74
Percent	3.9%	1.7%	1.3%	1.3%	-7.8%	2.5%	3.2%	1.6%	4.9%	4.0%	3.2%	2.7%
Net Tax Amount	\$152	\$37	\$21	\$21	-\$130	-\$15	\$105	-\$71	\$222	\$97	\$89	\$70
Percent	7.6%	1.7%	1.0%	1.0%	-5.9%	-0.7%	5.1%	-3.3%	10.5%	4.2%	3.7%	2.8%