

# General Fund Tax Collections



Informational Paper 1

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## General Fund Tax Collections

General fund tax collections represent the major source of revenues available to fund appropriations from the state's general fund. In 2013-14, Wisconsin general fund tax collections totaled \$13.9 billion. While many different taxes provide revenues to the general fund, the three major general fund taxes are the individual income tax, the general sales and use tax, and the corporate income and franchise tax. In total for 2013-14, these three taxes represented 90.7% of general fund tax collections. A detailed summary for each of the general fund revenue sources is provided in separate informational papers prepared by the Legislative Fiscal Bureau. This paper provides information on the overall level and sources of general fund tax collections.

As background on the major sources of state taxes, information is provided on the history of general fund tax collections since 2003-04. The attached tables show: (1) the amount of Wisconsin general fund tax collections by source of tax annually since 2003-04; (2) the share each tax represented of total general fund tax collections in each fiscal year; and (3) the percentage change in each tax over the prior year's tax collections.

To illustrate the information in the attached tables, the individual income tax can be used as

an example. In fiscal year 2013-14, the individual income tax totaled \$7.06 billion. This amount comprised 50.63% of total general fund tax collections in 2013-14 and represented a decrease of 5.81% from the individual income tax collections in the previous fiscal year, 2012-13. Along with comparisons within a particular fiscal year, the tables show the growth in tax collections since 2003-04.

While general fund tax collections data show the actual amount of revenues collected each year, several factors should be considered in using and interpreting this data. First, the growth in certain taxes, especially in the state's three major taxes, can be volatile because of changes in national economic growth and the way in which the state tax structure responds to such changes. Second, since 2003-04 many tax law changes, including one-time changes, have altered the amount of revenues collected from year to year. Moreover, modifications to payment dates and accrual procedures, revisions of withholding tables, and the impact of lawsuits have also affected the pattern of state tax collections. Thus, while actual tax collections have tended to grow over time, annual variations have occurred because of many factors, including changes in economic growth and inflation, tax law provisions, and one-time modifications.

**Wisconsin General Fund Tax Collections: 2003-04 Through 2013-14 (In Millions)**

<u>Revenue Source</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Individual Income	\$5,277.12	\$5,650.11	\$6,144.30	\$6,573.78	\$6,713.68	\$6,222.74	\$6,089.17	\$6,700.65	\$7,041.67	\$7,496.85	\$7,061.39
Corporate Income	650.53	764.05	780.32	890.06	837.81	629.52	834.48	852.86	906.58	925.38	967.18
General Sales & Use Tax	3,899.26	4,038.72	4,127.58	4,158.61	4,268.05	4,083.96	3,944.19	4,109.02	4,288.74	4,410.13	4,628.34
Excise Taxes											
Cigarette	291.32	294.30	301.49	296.13	455.72	551.34	644.27	604.83	587.75	569.15	573.04
Tobacco	16.10	15.84	16.42	17.52	29.75	42.24	59.89	60.89	65.52	63.02	67.69
Liquor & Wine	38.47	39.53	41.02	42.67	45.17	44.13	44.18	45.80	47.04	48.29	48.99
Beer	<u>9.60</u>	<u>9.77</u>	<u>9.76</u>	<u>9.53</u>	<u>9.62</u>	<u>9.91</u>	<u>9.61</u>	<u>9.33</u>	<u>9.24</u>	<u>9.00</u>	<u>8.97</u>
Total Excise Taxes	355.50	359.44	368.69	365.85	540.26	647.62	757.95	720.85	709.55	689.46	698.69
Estate Tax	86.36	112.35	108.57	121.11	158.79	20.85	0.87	-0.13	0.32	0.31	-0.08
Public Utility Taxes											
Priv. Light/Heat/Power	165.44	159.57	189.06	195.43	212.13	223.47	208.62	227.32	231.58	226.08	232.35
Muni. Light/Heat/Power	1.81	1.94	2.44	2.34	2.70	2.75	2.93	3.19	3.03	3.17	3.35
Telephone	81.59	72.62	63.00	65.26	59.54	63.46	70.03	67.02	80.98	67.34	72.20
Pipeline	10.56	10.56	10.66	10.67	11.19	16.18	23.05	27.11	33.67	28.40	35.46
Electric Cooperatives	8.49	7.24	8.11	8.83	9.36	10.55	10.40	11.55	11.16	11.28	12.09
Conservation/Regulation	0.51	0.47	0.37	0.29	0.26	0.24	0.21	0.29	0.31	0.31	0.34
Municipal Electric	1.30	1.57	1.50	2.04	2.24	3.46	4.15	4.86	5.17	4.99	5.17
Interest & penalty refund	<u>0.12</u>	<u>0.49</u>	<u>0.02</u>	<u>0.09</u>	<u>0.04</u>	<u>0.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-0.31</u>	<u>0.00</u>
Total Public Utility Tax	269.80	254.44	275.15	284.94	297.46	320.11	319.38	341.34	365.91	341.26	360.97
Insurance Premiums Tax	123.62	129.84	134.67	141.41	156.61	136.29	130.72	139.95	148.08	159.28	165.77
Miscellaneous Taxes											
Lawsuits (Courts)	10.69	10.38	10.17	10.41	10.74	10.79	10.49	11.67	13.83	14.88	14.60
Real Estate Transfer Fee	66.33	77.22	80.54	71.73	59.45	41.16	44.31	35.56	39.84	48.02	51.18
Other	<u>0.12</u>	<u>0.10</u>	<u>0.10</u>	<u>0.11</u>	<u>0.11</u>	<u>0.11</u>	<u>0.11</u>	<u>0.10</u>	<u>0.10</u>	<u>0.07</u>	<u>0.07</u>
Total Miscellaneous Taxes	77.14	87.70	90.81	82.24	70.30	52.06	54.91	47.32	53.77	62.96	65.85
<b>Total General Fund Taxes</b>	<b>\$10,739.32</b>	<b>\$11,396.65</b>	<b>\$12,030.09</b>	<b>\$12,618.00</b>	<b>\$13,042.94</b>	<b>\$12,113.15</b>	<b>\$12,131.66</b>	<b>\$12,911.87</b>	<b>\$13,514.63</b>	<b>\$14,085.63</b>	<b>\$13,948.10</b>



### Change in Revenue Source Over Prior Year

<u>Revenue Source</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Individual Income	4.46%	7.07%	8.75%	6.99%	2.13%	-7.31%	-2.15%	10.04%	5.09%	6.46%	-5.81%
Corporate Income	23.55	17.45	2.13	14.06	-5.87	-24.86	32.56	2.20	6.30	2.07	4.52
General Sales & Use Tax	4.32	3.58	2.20	0.75	2.63	-4.31	-3.42	4.18	4.37	2.83	4.95
Excise Taxes											
Cigarette	-0.81	1.02	2.44	-1.78	53.89	20.98	16.86	-6.12	-2.82	-3.16	0.68
Tobacco	3.82	-1.62	3.66	6.66	69.84	41.99	41.78	1.67	7.62	-3.82	7.41
Liquor & Wine	6.75	2.76	3.77	4.02	5.84	-2.29	0.11	3.67	2.69	2.66	1.46
Beer	0.88	1.76	-0.11	-2.35	0.99	3.00	-3.07	-2.93	-0.92	-2.61	-0.38
Total Excise Taxes	0.21	1.11	2.57	-0.77	47.67	19.87	17.04	-4.89	-1.57	-2.83	1.34
Estate Tax	25.70	30.09	-3.36	11.55	31.11	-86.87	-95.82	-114.70	-352.34	-5.57	-125.57
Public Utility Taxes											
Priv. Light/Heat/Power	12.53	-3.54	18.48	3.37	8.54	5.35	-6.65	8.96	1.87	-2.38	2.77
Muni. Light/Heat/Power	4.86	6.78	25.98	-4.26	15.80	1.59	6.48	9.06	-5.05	4.62	5.84
Telephone	-23.22	-11.00	-13.25	3.58	-8.75	6.57	10.36	-4.30	20.82	-16.84	7.22
Pipeline	0.12	0.01	0.94	0.12	4.88	44.63	42.45	17.60	24.22	-15.67	24.89
Electric Cooperatives	-9.89	-14.74	12.04	8.88	6.04	12.72	-1.46	11.15	-3.38	1.00	7.21
Conservation/Regulation	-7.25	-8.40	-21.54	-20.92	-9.28	-10.23	-10.97	36.49	8.33	0.00	9.29
Municipal Electric	5.11	20.99	-4.08	35.90	9.49	54.56	19.86	17.29	6.33	-3.46	3.57
Interest & penalty refund	169.77	322.41	-96.94	513.33	-58.70	-76.32	-100.00	N.A.	500.00	-5,233.33	-100.97
Total Public Utility Tax	-2.53	-5.69	8.14	3.56	4.39	7.61	-0.23	6.88	7.20	-6.74	5.78
Insurance Premiums Tax	7.59	5.03	3.72	5.01	10.75	-12.97	-4.09	7.06	5.81	7.56	4.07
Miscellaneous Taxes											
Lawsuits (Courts)	1.17	-2.89	-2.04	2.33	3.16	0.49	-2.75	11.23	18.53	7.54	-1.86
Real Estate Transfer Fee	15.58	16.43	4.29	-10.93	-17.13	-30.76	7.65	-19.75	12.06	20.51	6.59
Other	-35.14	-18.33	2.04	6.00	6.60	-2.65	0.91	-11.71	1.02	-32.32	5.97
Total Miscellaneous Taxes	13.21	13.70	3.54	-9.43	-14.53	-25.94	5.48	-13.82	13.63	17.08	4.59
Total General Fund Taxes	5.29%	6.12%	5.56%	4.89%	3.37%	-7.13%	0.15%	6.43%	4.67%	4.23%	-0.98%