**Fiscal Facts: The Covid-19 Fiscal Fall-Out for Cities and Villages**

*By Wisconsin Policy Forum*

While revenues for Wisconsin municipalities will likely be hit hard by the COVID-19 economic shutdown, compared to other states local governments here may see at least some benefits from their heavy reliance on property taxes and state aids to fund public services.

Still, Wisconsin municipalities nevertheless will experience some of the same daunting challenges and uncertainty that will confront their citizens and businesses during and beyond the current crisis. This is especially true for municipalities that rely more heavily on fees and taxes tied to tourism and visitors.

The property tax, on which Wisconsin municipalities rely much more heavily than municipalities in most states, tends not to be as immediately impacted by sharp economic swings. And state aid — for now at least — is set as part of the current state budget that runs through June 30 of next year.

These somewhat encouraging factors notwithstanding, many likely challenges remain. For all Wisconsin communities, collections of certain user fees, from bus fares to zoo admissions to building inspections — as well as fine collections from parking and other violations — are likely to decline precipitously.

Other challenges could include an increase in delinquent or unpaid property taxes and fees and a failure of revenues in tax increment districts to grow at levels needed to service debt.

Taken together, these unexpected COVID-19 fiscal challenges will carry into next year, when communities across Wisconsin prepare their 2021 budgets.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at wispolicyforum.org.*