**Fiscal Facts: The Covid-19 fiscal fallout for Wisconsin counties**

*By Wisconsin Policy Forum*

Among all Wisconsin local governments, its counties are likely to face the greatest fiscal challenges during this unprecedented COVID-19 crisis. They are the only ones that receive significant sales tax revenues and, due to the health programs they provide, are the most likely to see increased demand for services during the economic downturn.

Initial projections by Wisconsin’s two largest counties, Milwaukee and Dane, indicate potential 2020 shortfalls in sales tax collections of $17 million and $25 million, respectively. Sixty-eight of the state's 72 counties collect the 0.5% sales tax, which will see diminished revenues, and potentially stunning drops in regions that depend on tourism.

Wisconsin counties do possess some advantages compared to their counterparts in other states. For example, their overall reliance on property taxes gives them greater protection from the abrupt, steep revenue drops that hit counties in states that rely more heavily on sales and other types of taxes that are more immediately sensitive to the economy.

Nevertheless, property taxes, which comprise about 30-60% of general revenues across Wisconsin’s 72 counties, are not totally immune to economic downturns. Like cities and villages, job losses may make it difficult for many property owners to make their full second installment payment on their property taxes. And state aid, another top contributor to county budgets, may be reduced to balance the state budget as required by Wisconsin’s constitution.

In the end, Wisconsin county governments can expect significant revenue challenges ahead, especially as key providers of health and human services, which will likely to see spending demands increase due to the health and economic ramifications of the crisis.

*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.*