*Fiscal Facts by Wisconsin Policy Forum*

**School tax levy increases continue for coming year**

Amid a pandemic and global recession, school districts are increasing property taxes for the coming year by 3.3% — lower than last year’s 4.5% but still the second-highest percentage since 2010. Additional increases in county and technical college taxes suggest that, once municipal levies are in, the overall property tax increase on December bills will also be one of the largest of the past decade, though lower than the 3.7% hike last year.

Property taxes are the single largest tax paid by Wisconsin residents and also the biggest source of local funding for schools, police, fire protection, and roads. While localities might benefit from more diverse revenue options, this heavy reliance may actually be an advantage in this time of crisis, because property taxes typically are not immediately sensitive to economic downturns, unlike sales or income taxes.

This notion is evidenced by several successful voter referenda, among the key factors driving the school levy increase — including one linked to a $42.5 million levy increase for the Milwaukee Public Schools alone. Also, after four years of tight revenue limits on general school aids and property taxes, the 2019-21 state budget raised the cap by $179 per pupil this year, an increase amounting to roughly $150 million statewide.

Further, the state also provided an additional $163.5 million in general aids, a 3.4% increase that was the largest since 2005 and more than enough to cover the growth in the revenue limits, curbing the overall growth in property taxes statewide. However, the impact on each individual district will vary due to state formulas.

Property tax increases may certainly pose hardships for some, given the economic impacts of COVID-19. On the other hand, they also help maintain key services such as public health, education, and public safety at a time when they could be most valued.

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