**Fiscal Facts: State Tax Burden Drops Yet Again**

Amid the pandemic and resulting recession, Wisconsin's tax burden -- or its state and local tax collections as a share of personal income in the state -- fell in 2020 to its lowest level in at least a generation.

New data from the U.S. Census Bureau show state and local tax collections in Wisconsin rose 1.7% in 2020, the smallest increase since 2015.

Measured as a share of personal income, Wisconsin’s tax revenues dropped from 10.3% in 2019 to 10.07%. This was the lowest figure on record for the state in data going back to 1993 – and also below the national average, which was 10.12%.

Wisconsin's national tax ranking compared to other states actually became somewhat less favorable, climbing from 24th in 2019 to 18th in 2020. The rise reflected the relative stability of Wisconsin’s property tax and overall tax collections in the early stages of the pandemic, compared to other states with more volatile tax structures.

But Wisconsin’s tax burden remains below the national average and most neighbor states -- even as we get less than average from fees and federal aid.

As in most states, Wisconsin’s state and local tax revenue comes primarily from three main sources: property taxes, sales taxes, and income taxes.

Local governments in Wisconsin are particularly reliant on property taxes, which rose 3.1% to $10.12 billion in 2020. The state’s ranking for property taxes as a share of personal income remained 17th-highest among the 50 states.

Wisconsin also relies heavily on income taxes. In 2020, the state collected about $8.51 billion in individual income tax revenues, a decrease of 2.8% that reflected the downturn from the pandemic as well as certain state policy decisions. This yielded a rank of 13th among the 50 states.

Corporate income tax collections in Wisconsin grew 7.9% in 2020 to $1.44 billion, and the state's ranking for corporate tax burden rose to 8th.

Wisconsin relies less than most states on revenues from general sales taxes, which totaled $6.31 billion in 2020. The state’s sales tax burden continued to rank 32nd-highest nationally.

An important caveat is that these rankings use data for fiscal year 2020, and thus do not account for Wisconsin’s recent $1 billion income tax cut enacted in the 2021-23 state budget. This tax cut should put further downward pressure on Wisconsin’s tax ranking in future years.

*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*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*