**Fiscal Facts: Municipal revenues rise sharply but not uniformly**

With last year’s enactment of historic state legislation, most Wisconsin municipalities are receiving their first substantial increase in a generation in their main source of state aid, shared revenue.

However, the increases in revenue vary widely by community. Some smaller communities have seen a huge percentage increase in revenue, while for others, the impact has been much more modest.

A 3.7% rise in December property tax levies also contributed to a historic revenue increase for municipalities in 2024. Preliminary data show Wisconsin’s more than 1,800 cities, villages, and towns levied $3.48 billion in property taxes on December 2023 bills. The resulting 3.7% increase from the $3.35 billion levied in December 2022 is less than the 4.5% increase the year prior, but larger than any other year since 2009.

Meanwhile, the measure now known as 2023 Wisconsin Act 12 increased funding for shared revenue by 30.5%, from $674.2 million last year to $879.5 million this year. The combined collective impact for municipalities is an 8.2% increase in revenues from their two largest sources, property taxes and shared revenue. This average statewide increase is the most in at least three decades and likely much longer.

In recent decades, funding for shared revenue had badly lagged inflation, even decreasing in some years. In 1995 – as far back as we have data – the state shared about $761.5 million with municipalities. By 2012, that dropped to a low of $665.2 million, and by 2023 had barely risen to $674.2 million.

Starting in 2024, for many municipalities around Wisconsin, the Act 12 funding will have a significant impact on their budgets. Across all communities with under 1,000 residents, the combined 81.3% increase in state aid and 4.9% increase in property taxes will raise the total amount from these two largest sources of municipal revenue by an average of 20.3%.

The state’s largest municipalities – those with populations above 20,000 – will also benefit, but not nearly as much. Their state aid totals will rise by 19.0%, and taken together with a 3.7% increase in property taxes, they will have an additional 6.4% in revenue on average from these two sources. This increase for large municipalities, while certainly the largest in a number of years, should be viewed in the context of an 8% increase in the rate of inflation (as measured by the Consumer Price Index) in 2022 and a 4.1% inflation rate in 2023.

The passage of Act 12 was in many ways historic, even as its effects varied widely by community. Larger cities in the state received much less per capita, particularly in areas with high property values. This disparity means the degree of relief municipalities are receiving from their mounting budget challenges ranges from considerable to scant.

*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/)*.*