



## WAUWATOSA CHAMBER OF COMMERCE POLICY STATEMENT WISCONSIN TAX BURDEN

### ISSUE

For decades, Wisconsin taxpayers have struggled with a higher tax burden than those in most other states. According to Kiplinger, *Best States for Low Taxes: 50 States Ranked for Taxes 2019*, Wisconsin was ranked as one of the ten least tax friendly states in the Country.

Additionally, Wauwatosa residents and businesses have not only realized historically high overall taxes, but in 2019 the City underwent a revaluation resulting in substantial property tax increases as well.

### BACKGROUND AND TALKING POINTS

- **Taxes** - Except for the sales tax, Wisconsinites continue to pay among the highest taxes in the Country.
  - **State Income Tax** – 4.0% (on up to \$11,450 of taxable income for singles or up to \$15,270 for married couples); 7.65% (on taxable income over \$252,150 for singles or over \$336,200 for married couples)
  - **Property Taxes** - In Wisconsin, residents pay an average of \$1,924 in taxes per \$100,000 of assessed home value.
- **Overall State Tax Burden** - With regard to overall tax burden, Kiplinger emphasized that the combination of Wisconsin's high income and property taxes lands it on their list of top ten least tax-friendly states for 2019. They further indicated that many residents will end up in the 6.27% bracket, which kicks in on income above only \$22,900 for singles and \$30,540 for joint filers (2018 brackets). They also estimated that property taxes for a \$400,000 home in Wisconsin is approximately \$7,695 per year.
- **Wisconsin Property Tax Burden History** - Additionally, according to Wisconsin's Legislative Fiscal Bureau's 2019 Informational Paper Property Tax Administration #14 "Wisconsin local governments' heavy reliance on the property tax has contributed to the state's above-average property tax levels. Two widely used measures of tax levels are property taxes per \$1,000 of personal income and property taxes per capita. Wisconsin's property tax level exceeded the U.S. average under both measures in all periods since 1970".
- **Wauwatosa Property Tax Burden** - Specifically in 2019, many Wauwatosa property owners experienced a major bump in property assessments. According to the Milwaukee Journal Sentinel, the City's revaluation resulted in an average 21% increase in values for residential properties. Also adding to the property tax burden was passage

of a major school referendum in 2018 totaling \$124.9 million, which is paid by real property owners. Furthermore, according to the most recent *City of Wauwatosa 2020 Adopted Budget* document, detailed property taxes on a home valued at \$224,000 in 2019 was \$5,139. Distribution of this tax breaks down as follows:

- 34% of property taxes went to school districts
- 31% of property taxes went to the City
- 22% of property taxes went to the County
- 8% of property taxes went to MMSD
- 5% of property taxes went to MATC

## **WAUWATOSA CHAMBER OF COMMERCE STATEMENT**

The Wauwatosa Chamber of Commerce believes it is important for businesses to know where the Mayoral candidates stand on property taxes and if it represents where you as a business or citizen stands on property taxes. Consider the following themes when discussing property taxes with the Mayoral candidates:

- **Cut City Spending** – Cutting spending is one approach to rein in property tax increases. Ask candidates if they support cuts in city spending and to describe in detail what they would cut or reduce in the City or Capital Improvements budget. If elected, how would the Mayor advocate for spending cuts in the budget as a figure head?
- **Decrease Tax Rates** – Is a Mayoral candidate willing to substantially cut tax rates to offset double digit increases in assessments and skyrocketing values in residential property vs taxing and spending more?
- **TIF** - Where do the Mayoral candidates stand on Tax Incremental Financing (TIF) as it relates to the property tax and its use in development projects. What type of development should TIF be targeted for and are there any limits?
- **Commercial Real Estate** - Where do the Mayoral candidates stand on commercial real estate assessments and valuations? Where do they see the trends in commercial and retail property and how would they incentivize businesses to stay in Wauwatosa?
- **School Referendum** - Where did the candidates stand on the 2018 school referendum that represented almost a \$125 million property tax increases to the taxpayers of Wauwatosa?
- **Supporting a Strong Business Climate** – How would the candidate work with the business community on property tax, regulatory and development issues; and how would the candidates pro-actively bring business interests to the Common Council?

## **CHAMBER OF COMMERCE WEBSITE**

For much more detailed information about the City's budget and various other issues, please visit the Wauwatosa website at [tosachamber.org](http://tosachamber.org) and go to the What's New tab, then refer to Policy, News and Research.