

# CENTER ON BUDGET AND POLICY PRIORITIES

820 First Street, NE, Suite 510, Washington, DC 20002  
Tel: 202-408-1080 Fax: 202-408-1056 center@cbpp.org www.cbpp.org

## WISCONSIN

Most states have structural weaknesses in their tax systems that put them at risk of experiencing gaps between revenues and necessary expenditures in coming years. The Center evaluated each state's likelihood of facing a structural deficit by determining how many of ten "risk factors" applied to each state. Wisconsin is rated as having a moderate risk of a structural deficit based on its score of three on the risk scale for structural deficits.



- In Wisconsin, corporate income taxes as a share of total taxes declined by 6.3 percentage points from 1979-2002, surpassing the US average decline of 5.5 percentage points. Also, its corporate income tax has significant loopholes.
- Wisconsin's income tax preferences for its seniors exceed the US average.
- During 1994-2000, Wisconsin reduced its personal income taxes and increased its gasoline and tobacco taxes. This is problematic since income taxes provide stronger growth over the long term than sales and excise taxes.
- Lastly, although this paper did not categorize Wisconsin as having unusually high spending needs, it does face some spending pressure from the number of students with special needs.