

## **New Data on Government Finances Shows Wisconsin Ranks 18<sup>th</sup> in State and Local Spending**

Wisconsin ranked 18<sup>th</sup> in total state and local spending in 2000, according to an analysis of data released in mid-December by the U.S. Census Bureau.

The Center on Wisconsin Strategy and Wisconsin Budget Project analyzed the new Census Bureau data and compared Wisconsin's spending and taxes with those in other states. They looked at per capita measures of state and local financing, as well as tax and spending levels relative to income.

“What may surprise some people is that despite Wisconsin's relatively high tax ranking we are much closer to average in spending,” stated Jon Peacock, director of the Wisconsin Budget project, which is part of the Wisconsin Council on Children and Families.

“The reason for that apparent paradox is that Wisconsin relies less than most states on non-tax revenue, such as fees, and we also receive less federal funding,” Peacock noted.

The analysis of the Census Bureau data shows the following about state and local spending and taxes in Wisconsin:

- Wisconsin ranked 8<sup>th</sup> highest in per capita state and local taxes, and 4<sup>th</sup> highest in taxes as a percentage of personal income.
- In the category of total state and local taxes and other non-federal income, measured as a percentage of income, Wisconsin ranked 13<sup>th</sup>.
- Wisconsin was 30<sup>th</sup> in state and local fees, as a percentage of income, and 35<sup>th</sup> in federal revenue.

John Keckhaver, senior policy associate at the Center on Wisconsin Strategy stated that the figure showing combined taxes and fees is a key measure of state and local finances. “The recent flap over a proposal to raise vehicle registration fees illustrates that people make little distinction between whether the money they are charged is categorized as a tax or a fee,” Keckhaver said. “Thus, the combined ranking of taxes and fees, where Wisconsin is 13<sup>th</sup>, is a better measure of what our residents pay for their government services.”

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*The Center on Wisconsin Strategy is a research and policy institute based at the University of Wisconsin- Madison dedicated to improving economic performance and living standards in the state.*

*The Wisconsin Budget Project, which is an initiative of the Wisconsin Council on Children and Families, analyzes the impacts of state fiscal policies on low- and moderate-income people in Wisconsin.*