

Informational Paper 1

General Fund Tax Collections

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Prepared by

Rob Reinhardt

Wisconsin Legislative Fiscal Bureau
One East Main, Suite 301
Madison, WI 53703

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General fund tax collections represent the major source of revenues available to fund appropriations from the state's general fund. In 2005-06, Wisconsin general fund tax collections totaled \$12.0 billion. While many different taxes provide revenues to the general fund, the three major general fund taxes are the individual income tax, the general sales and use tax, and the corporate income and franchise tax. In total for 2005-06, these three taxes represented 91.9% of general fund tax collections. A detailed summary for each of the general fund revenue sources is provided in separate informational papers prepared by the Legislative Fiscal Bureau. This paper provides information on the overall level and sources of general fund tax collections.

As background on the major sources of state taxes, information is provided on the history of general fund tax collections since 1995-96. The attached tables show: (1) the amount of Wisconsin general fund tax collections by source of tax annually since 1995-96; (2) the share each tax represented of total general fund tax collections in each fiscal year; and (3) the percentage change in each tax over the prior year's tax collection.

To illustrate the information in the attached tables, the individual income tax can be used as an

example. In fiscal year 2005-06, the individual income tax totaled \$6.14 billion. This amount comprised 51.07% of total general fund tax collections in 2005-06 and represented an increase of 8.75% from the individual income tax collections in the previous fiscal year, 2004-05. Along with comparisons within a particular fiscal year, the tables show the growth in tax collections since 1995-96.

While general fund tax collections data show the actual amount of revenues collected each year, several factors should be considered in using and interpreting this data. First, the growth in certain taxes, especially in the state's three major taxes, can be volatile because of changes in national economic growth and the way in which the state tax structure responds to such changes. Second, since 1995-96 many tax law changes, including one-time changes, have altered the amount of revenues collected from year to year. Moreover, modifications to payment dates, revisions of withholding tables, and the impact of lawsuits have also affected the pattern of state tax collections. Thus, while actual tax collections have tended to grow over time, annual variations have occurred because of many factors, including changes in economic growth and inflation, tax law provisions, and one-time modifications.

Wisconsin General Fund Tax Collections: 1995-96 Through 2005-06 (In Millions)

Revenue Source	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Individual Income Tax	\$4,183.60	\$4,558.26	\$5,047.51	\$5,162.24	\$5,962.01	\$5,156.57	\$4,979.66	\$5,052.00	\$5,277.12	\$5,650.11	\$6,144.30
Corporate Income Tax	636.01	643.82	627.02	635.20	644.63	537.16	503.01	526.54	650.53	764.05	780.32
General Sales & Use Tax	2,704.23	2,864.37	3,047.41	3,284.69	3,501.66	3,609.90	3,695.80	3,737.91	3,899.26	4,038.72	4,127.58
Excise Taxes											
Cigarette	197.97	204.57	247.74	257.42	247.59	243.51	288.77	293.70	291.32	294.30	301.49
Tobacco	7.39	8.78	9.35	9.40	10.31	11.36	13.93	15.51	16.10	15.84	16.42
Liquor & Wine	30.81	31.35	32.73	32.94	34.56	35.54	35.98	36.04	38.47	39.53	41.02
Beer	9.19	9.21	9.26	9.16	9.39	9.36	9.60	9.52	9.60	9.77	9.76
Total Excise Taxes	245.35	253.90	299.09	308.92	301.85	299.78	348.28	354.76	355.50	359.44	368.69
Inheritance & Gift Taxes											
Inheritance & Estate	45.39	50.67	80.05	116.82	133.26	77.08	82.63	68.70	86.36	112.35	108.57
Gift	0.21	0.16	0.06	0.08	---	---	---	---	---	---	---
Total Inheritance/Gift	45.60	50.83	80.11	116.90	133.26	77.08	82.63	68.70	86.36	112.35	108.57
Public Utility Taxes											
Priv. Light/Heat/Power	106.03	107.83	110.44	117.06	121.14	136.41	143.13	147.02	165.44	159.57	189.06
Muni. Light/Heat/Power	1.40	1.34	1.43	1.48	1.54	1.58	1.66	1.73	1.81	1.94	2.44
Telephone	160.12	176.43	158.52	149.39	114.72	80.38	86.64	106.26	81.59	72.62	63.00
Pipeline	9.17	10.94	7.59	9.46	11.88	10.43	10.26	10.54	10.56	10.56	10.66
Electric Cooperatives	7.50	7.89	7.46	7.54	7.80	8.25	8.59	9.42	8.49	7.24	8.11
Conservation/Regulation	0.14	0.75	0.68	0.68	0.64	0.59	0.57	0.55	0.51	0.47	0.37
Municipal Electric	0.94	0.91	1.88	1.34	1.39	1.39	1.27	1.23	1.30	1.57	1.50
Interest & Penalty Refund	-0.01	0.15	0.35	0.15	0.86	0.21	0.12	0.04	0.12	0.49	0.02
Total Public Utility Tax	285.29	306.23	288.36	287.09	259.98	239.24	252.24	276.79	269.80	254.44	275.15
Insurance Premiums Tax	92.29	94.64	88.07	97.05	86.88	89.04	96.06	114.90	123.62	129.84	134.67
Part-Mutuel Tax	3.65	2.62	2.36	2.19	---	---	---	---	---	---	---
Miscellaneous Taxes											
Lawsuits (Courts)	7.63	8.70	9.46	9.60	10.14	10.12	10.46	10.57	10.69	10.38	10.17
Real Estate Transfer Fee	31.39	33.54	38.44	43.97	45.29	44.22	51.18	57.38	66.33	77.22	80.54
Other	0.61	0.62	0.61	0.57	0.19	0.33	0.88	0.19	0.12	0.10	0.10
Total Miscellaneous Taxes	39.63	42.86	48.50	54.14	55.63	54.68	62.51	68.14	77.14	87.70	90.81
Total General Fund Taxes	\$8,235.64	\$8,817.54	\$9,528.43	\$9,948.41	\$10,945.90	\$10,063.44	\$10,020.18	\$10,199.74	\$10,739.32	\$11,396.65	\$12,030.09

Change in Revenue Source Over Prior Year

Revenue Source	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Individual Income Tax	6.37%	8.96%	10.73%	2.27%	15.49%	-13.51%	-3.43%	1.45%	4.46%	7.07%	8.75%
Corporate Income Tax	0.67	1.23	-2.61	1.30	1.48	-16.67	-6.36	4.68	23.55	17.45	2.13
General Sales & Use Tax	5.17	5.92	6.39	7.79	6.61	3.09	2.38	1.14	4.32	3.58	2.20
Excise Taxes											
Cigarette	11.92	3.33	21.11	3.91	-3.82	-1.65	18.59	1.71	-0.81	1.02	2.44
Tobacco	6.30	18.90	6.51	0.45	9.69	10.19	22.69	11.31	3.82	-1.62	3.66
Liquor & Wine	0.62	1.74	4.42	0.63	4.93	2.83	1.24	0.15	6.75	2.76	3.77
Beer	2.53	0.21	0.58	-1.06	2.51	-0.30	2.48	-0.84	0.88	1.76	-0.11
Total Excise Taxes	9.82	3.49	17.80	3.29	-2.29	-0.69	16.18	1.86	0.21	1.11	2.57
Inheritance & Gift Taxes											
Inheritance & Estate	14.25	11.62	57.99	45.94	14.07	-42.16	7.20	-16.86	25.70	30.09	-3.36
Gift	-80.00	-24.24	-59.45	20.16	-100.00	---	---	---	---	---	---
Total Inheritance/Gift	11.81	11.45	57.62	45.92	14.00	-42.16	7.20	-16.86	25.70	30.09	-3.36
Public Utility Taxes											
Priv. Light/Heat/Power	3.00	1.69	2.42	5.99	3.49	12.60	4.93	2.71	12.53	-3.54	18.48
Muni. Light/Heat/Power	0.72	-4.09	7.03	3.42	4.05	2.79	4.61	4.35	4.86	6.78	25.98
Telephone	6.94	10.18	-10.15	-5.76	-23.21	-29.94	7.79	22.64	-23.22	-11.00	-13.25
Pipeline	-5.80	19.37	-30.62	24.60	25.63	-12.20	-1.64	2.75	0.12	0.01	0.94
Electric Cooperatives	7.79	5.08	-5.39	1.02	3.54	5.70	4.10	9.68	-9.89	-14.74	12.04
Conservation/Regulation	-11.88	431.91	-9.33	-0.29	-5.75	-7.20	-4.38	-2.65	-7.25	-8.40	-21.54
Municipal Electric	-12.53	-3.29	106.26	-28.90	4.34	-0.07	-8.61	-3.14	5.11	20.99	-4.08
Interest & Penalty Refund	33.33	-1,375.00	130.07	-56.53	463.40	-76.10	-40.78	-64.75	169.77	322.41	-96.94
Total Public Utility Tax	4.89	7.34	-5.84	-0.44	-9.44	-7.98	5.43	9.73	-2.53	-5.69	8.14
Insurance Premiums Tax	-2.26	2.55	-6.95	10.20	-10.48	2.49	7.88	19.62	7.59	5.03	3.72
Pari-Mutuel Tax	-23.15	-28.23	-9.98	-6.96	-100.00	---	---	---	---	---	---
Miscellaneous Taxes											
Lawsuits (Courts)	6.18	14.05	8.70	1.49	5.69	-0.20	3.27	1.07	1.17	-2.89	-2.04
Real Estate Transfer Fee	12.91	6.82	14.62	14.39	3.01	-2.36	15.72	12.13	15.58	16.43	4.29
Other	-2.24	1.96	-2.89	-6.12	-66.20	73.44	163.66	-78.93	-35.14	-18.33	2.04
Total Miscellaneous Taxes	11.28	8.14	13.17	11.62	2.76	-1.70	14.32	9.00	13.21	13.70	3.54
Total General Fund Taxes	5.49%	7.07%	8.06%	4.41%	10.03%	-8.06%	-0.43%	1.79%	5.29%	6.12%	5.56%