



## **Legislative Fiscal Bureau**

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July 30, 2012

TO: Members  
Legislative Council Steering Committee on Income Tax

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Information on Adjusted Gross Income and Net Individual Income Tax Liability for Six Tax Years

In response to a request at the July 25, 2012, meeting of the Legislative Council Steering Committee on Income Tax, I have prepared the attached tables. The tables are based on a report prepared annually by the Department of Revenue (DOR) and display the distribution of Wisconsin adjusted gross income and net individual income tax liability by adjusted gross income class for tax years 1985, 1990, 1995, 2000, 2005, and 2010. The tables are formatted identically to the table attached to a memorandum to Representative Vos from this office that was distributed at the July 25<sup>th</sup> meeting, with one exception. DOR changed the income groupings between 1990 and 1995 for tax filers with incomes over \$40,000.

Several factors should cause readers to be cautious in interpreting this data. First, a number of law changes have been enacted since 1985 that affect the count of taxpayers, adjusted gross income, and income tax liabilities. These include changes to the definition of income, to the standard deduction, to the rate and bracket structure, and to tax credits. Also, the amounts in the table have been affected by inflation. Over time, inflation increases the cost of goods and services, and causes incomes to rise, as well. The most common measure of inflation is the consumer price index (CPI), compiled by the Bureau of Labor Statistics, U.S. Department of Labor. Between 1985 and 2010, the CPI increased by 102.7%, which implies that \$1,000 in 1985 would be worth approximately \$2,027 in 2010.

If you have any questions on this information, please let me know.

RO/sas  
Attachment

# ATTACHMENT

## Distribution of Wisconsin Adjusted Gross Income and Net Tax Liability by Adjusted Gross Income Class

(Tax Year 1985)

Total Adjusted Gross Income	Adjusted Gross Income					Net Tax Liability (Including Alternative Minimum Tax)				
	Count	% of Count	Amount	% of Total	Average Amount	Count	% of Count	Amount	% of Total	Average Amount
Under \$5,000	453,762	21.46%	\$368,140,593	0.87%	\$811	125,126	7.37%	\$7,642,325	0.36%	\$61
5,000 - 10,000	347,503	16.43	2,572,496,743	6.10	7,403	270,202	15.92	38,040,599	1.80	141
10,000 - 15,000	262,327	12.41	3,253,060,068	7.71	12,401	254,315	14.98	89,744,673	4.24	353
15,000 - 20,000	212,456	10.05	3,698,952,073	8.77	17,410	210,487	12.40	139,112,479	6.58	661
20,000 - 25,000	182,686	8.64	4,102,594,046	9.73	22,457	181,989	10.72	179,683,346	8.50	987
25,000- 30,000	164,798	7.79	4,521,650,006	10.72	27,438	164,494	9.69	215,878,141	10.21	1,312
30,000 - 40,000	247,155	11.69	8,548,223,115	20.27	34,586	246,896	14.55	443,031,967	20.95	1,794
40,000 - 50,000	129,224	6.11	5,731,500,029	13.59	44,353	129,113	7.61	322,122,371	15.23	2,495
50,000 - 75,000	83,383	3.94	4,867,765,166	11.54	58,378	83,308	4.91	302,021,755	14.28	3,625
75,000 - 100,000	15,261	0.72	1,299,858,527	3.08	85,175	15,232	0.90	91,879,577	4.35	6,032
100,000 - 200,000	12,350	0.58	1,638,413,847	3.89	132,665	12,326	0.73	130,370,306	6.17	10,577
Over 200,000	3,743	0.18	1,569,370,152	3.72	419,281	3,735	0.22	154,863,986	7.32	41,463
Total	2,114,648	100.00%	\$42,172,024,365	100.00%	\$19,943	1,697,223	100.00%	\$2,114,391,525	100.00%	\$1,246

(Tax Year 1990)

Total Adjusted Gross Income	Adjusted Gross Income					Net Tax Liability (Including Alternative Minimum Tax)				
	Count	% of Count	Amount	% of Total	Average Amount	Count	% of Count	Amount	% of Total	Average Amount
Under \$5,000	931,030	36.94%	\$3,251,362,862	5.08%	\$3,492	273,756	14.75%	\$23,461,060	0.77%	\$86
5,000 - 10,000	251,704	9.99	3,170,761,250	4.95	12,597	246,739	13.29	69,004,396	2.27	280
10,000 - 15,000	206,396	8.19	3,561,111,304	5.56	17,254	205,440	11.07	114,639,891	3.77	558
15,000 - 20,000	176,959	7.02	3,872,765,724	6.05	21,885	176,506	9.51	150,698,436	4.96	854
20,000 - 25,000	150,749	5.98	4,004,196,019	6.26	26,562	150,584	8.11	172,446,654	5.68	1,145
25,000- 30,000	131,130	5.20	4,084,506,827	6.38	31,149	131,080	7.06	187,114,307	6.16	1,427
30,000 - 40,000	226,583	8.99	8,527,404,643	13.32	37,635	226,521	12.20	414,609,612	13.65	1,830
40,000 - 50,000	158,571	6.29	7,327,325,361	11.45	46,208	158,557	8.54	374,881,093	12.34	2,364
50,000 - 75,000	196,673	7.80	11,788,566,918	18.42	59,940	196,657	10.59	634,233,009	20.88	3,225
75,000 - 100,000	46,689	1.85	3,960,213,745	6.19	84,821	46,682	2.51	225,657,963	7.43	4,834
100,000 - 200,000	31,444	1.25	4,159,409,436	6.50	132,280	31,444	1.69	252,304,343	8.31	8,024
Over 200,000	12,504	0.50	6,306,832,338	9.85	504,385	12,501	0.67	418,211,425	13.77	33,454
Total	2,520,432	100.00%	\$64,014,456,427	100.00%	\$25,398	1,856,467	100.00%	\$3,037,262,189	100.00%	\$1,636

(Tax Year 1995)

Total Adjusted Gross Income	Adjusted Gross Income					Net Tax Liability (Including Alternative Minimum Tax)				
	Count	% of Count	Amount	% of Total	Average Amount	Count	% of Count	Amount	% of Total	Average Amount
Under \$5,000	513,257	20.29%	\$448,950,796	0.58%	\$875	96,616	4.91%	\$4,588,374	0.12%	\$47
5,000 - 10,000	284,934	11.27	2,102,570,155	2.73	7,379	174,291	8.86	19,889,184	0.51	114
10,000 - 15,000	246,519	9.75	3,072,389,235	3.99	12,463	214,653	10.91	62,268,696	1.61	290
15,000 - 20,000	221,243	8.75	3,857,895,022	5.01	17,437	219,318	11.15	124,623,083	3.22	568
20,000 - 25,000	184,478	7.29	4,134,218,730	5.37	22,410	183,893	9.35	167,682,384	4.34	912
25,000- 30,000	152,860	6.04	4,193,079,375	5.44	27,431	152,570	7.76	190,093,367	4.92	1,246
30,000 - 40,000	253,114	10.01	8,818,298,135	11.44	34,839	252,853	12.86	430,663,633	11.14	1,703
40,000 - 60,000	370,342	14.64	18,179,813,419	23.59	49,089	370,240	18.82	955,195,983	24.72	2,580
60,000 - 80,000	168,983	6.68	11,554,472,531	14.99	68,377	168,961	8.59	636,853,529	16.48	3,769
80,000 - 100,000	62,010	2.45	5,482,142,962	7.11	88,407	62,005	3.15	313,426,840	8.11	5,055
100,000 - 150,000	41,429	1.64	4,903,893,202	6.36	118,369	41,424	2.11	292,080,248	7.56	7,051
150,000 - 200,000	12,169	0.48	2,082,172,641	2.70	171,105	12,164	0.62	128,713,592	3.33	10,582
Over 200,000	17,866	0.71	8,228,547,369	10.68	460,570	17,865	0.91	538,204,385	13.93	30,126
Total	2,529,204	100.00%	\$77,058,443,572	100.00%	\$30,467	1,966,853	100.00%	\$3,864,283,298	100.00%	\$1,965

**(Tax Year 2000)**

Total Adjusted Gross Income	Adjusted Gross Income					Net Tax Liability (Including Alternative Minimum Tax)				
	Count	% of Count	Amount	% of Total	Average Amount	Count	% of Count	Amount	% of Total	Average Amount
Under \$5,000	462,802	16.90%	\$339,095,489	0.32%	\$733	70,520	3.46%	\$4,919,524	0.10%	\$70
5,000 - 10,000	273,996	10.01	2,023,610,469	1.89	7,386	80,456	3.94	9,708,481	0.20	121
10,000 - 15,000	219,214	8.01	2,732,237,767	2.56	12,464	150,029	7.35	31,303,920	0.64	209
15,000 - 20,000	209,997	7.67	3,669,693,006	3.43	17,475	173,637	8.51	72,972,631	1.49	420
20,000 - 25,000	191,905	7.01	4,308,760,139	4.03	22,453	187,870	9.20	124,665,409	2.54	664
25,000- 30,000	168,733	6.16	4,630,743,542	4.33	27,444	167,881	8.23	164,068,836	3.35	977
30,000 - 40,000	275,423	10.06	9,578,319,371	8.96	34,777	274,729	13.46	385,989,144	7.88	1,405
40,000 - 60,000	408,861	14.93	20,215,422,565	18.91	49,443	408,511	20.02	895,364,517	18.27	2,192
60,000 - 80,000	255,553	9.33	17,611,796,602	16.47	68,916	255,495	12.52	849,383,944	17.33	3,324
80,000 - 100,000	121,939	4.45	10,809,510,888	10.11	88,647	121,918	5.97	552,280,484	11.27	4,530
100,000 - 150,000	92,832	3.39	10,984,815,593	10.28	118,330	92,812	4.55	592,490,786	12.09	6,384
150,000 - 200,000	24,174	0.88	4,134,872,852	3.87	171,046	24,167	1.18	235,748,151	4.81	9,755
Over 200,000	32,992	1.20	15,862,763,074	14.84	480,806	32,980	1.62	981,843,785	20.03	29,771
Total	2,738,421	100.00%	\$106,901,641,357	100.00%	\$39,038	2,041,005	100.00%	\$4,900,739,612	100.00%	\$2,401

**(Tax Year 2005)**

Total Adjusted Gross Income	Adjusted Gross Income					Net Tax Liability (Including Alternative Minimum Tax)				
	Count	% of Count	Amount	% of Total	Average Amount	Count	% of Count	Amount	% of Total	Average Amount
Under \$5,000	431,296	15.58%	\$77,642,506	0.06%	\$180	43,117	2.15%	\$3,485,721	0.06%	\$81
5,000 - 10,000	260,929	9.43	1,932,455,423	1.59	7,406	48,762	2.43	6,065,082	0.11	124
10,000 - 15,000	212,664	7.68	2,645,069,673	2.17	12,438	120,658	6.01	21,137,221	0.39	175
15,000 - 20,000	194,444	7.02	3,397,018,017	2.79	17,470	150,430	7.49	50,271,199	0.92	334
20,000 - 25,000	181,932	6.57	4,086,936,284	3.36	22,464	166,491	8.29	93,665,018	1.72	563
25,000- 30,000	164,756	5.95	4,523,258,941	3.72	27,454	161,093	8.03	133,063,639	2.44	826
30,000 - 40,000	274,328	9.91	9,545,638,411	7.84	34,796	272,206	13.56	342,247,898	6.28	1,257
40,000 - 60,000	402,655	14.55	19,895,448,234	16.35	49,411	401,006	19.98	821,398,169	15.06	2,048
60,000 - 80,000	276,269	9.98	19,126,824,033	15.71	69,233	275,659	13.73	874,098,044	16.03	3,171
80,000 - 100,000	158,561	5.73	14,101,674,781	11.59	88,935	158,291	7.89	691,152,447	12.68	4,366
100,000 - 150,000	135,593	4.90	16,046,472,212	13.18	118,343	135,339	6.74	834,811,380	15.31	6,168
150,000 - 200,000	33,060	1.19	5,636,152,642	4.63	170,483	32,981	1.64	311,603,437	5.71	9,448
Over 200,000	41,423	1.50	20,697,241,025	17.01	499,656	41,355	2.06	1,269,571,157	23.28	30,699
Total	2,767,910	100.00%	\$121,711,832,182	100.00%	\$43,972	2,007,388	100.00%	\$5,452,570,412	100.00%	\$2,716

**(Tax Year 2010)**

Total Adjusted Gross Income	Adjusted Gross Income					Net Tax Liability (Including Alternative Minimum Tax)				
	Count	% of Count	Amount	% of Total	Average Amount	Count	% of Count	Amount	% of Total	Average Amount
Under \$5,000	480,795	16.80%	-\$499,174,914	-0.37%	-\$1,038	35,631	1.80%	\$3,782,663	0.06%	\$106
5,000 - 10,000	262,331	9.16	1,945,920,142	1.44	7,418	25,054	1.27	5,190,235	0.09	207
10,000 - 15,000	209,319	7.31	2,608,533,126	1.93	12,462	99,312	5.03	14,788,866	0.24	149
15,000 - 20,000	188,767	6.59	3,293,752,556	2.43	17,449	135,931	6.88	37,572,281	0.62	276
20,000 - 25,000	172,118	6.01	3,868,200,350	2.86	22,474	147,456	7.47	72,307,206	1.19	490
25,000- 30,000	162,084	5.66	4,452,262,297	3.29	27,469	154,702	7.83	109,507,503	1.80	708
30,000 - 40,000	277,661	9.70	9,660,972,311	7.13	34,794	273,368	13.84	306,655,430	5.05	1,122
40,000 - 60,000	387,142	13.53	19,087,057,613	14.09	49,302	384,150	19.45	747,982,091	12.32	1,947
60,000 - 80,000	265,088	9.26	18,391,087,073	13.58	69,377	264,062	13.37	814,020,891	13.41	3,083
80,000 - 100,000	171,993	6.01	15,342,217,970	11.33	89,203	171,545	8.69	731,914,844	12.05	4,267
100,000 - 150,000	182,445	6.37	21,749,981,061	16.06	119,214	181,903	9.21	1,100,342,387	18.12	6,049
150,000 - 200,000	48,776	1.70	8,314,588,902	6.14	170,465	48,519	2.46	444,497,187	7.32	9,161
Over 200,000	53,898	1.88	27,213,890,641	20.09	504,915	53,523	2.71	1,683,273,986	27.72	31,450
Total	2,862,417	100.00%	\$135,429,289,128	100.00%	\$47,313	1,975,156	100.00%	\$6,071,835,570	100.00%	\$3,074