



Wisconsin ranks 35th overall for mature operations and fourth overall for newly established operations. Specifically:

- For mature operations, Wisconsin ranks 16th for R&D facilities, which has a total tax burden that is 16 percent below the national average. The main driver is that this operation has no income tax burden, due to the state's R&D tax credit and sourcing rules that place much of the operation's income out of state where the benefits are received. This operation also faces the ninth-lowest sales tax burden in the nation.
- By contrast, Wisconsin ranks 42nd for mature capital-intensive manufacturing, which has a total tax burden that is 32 percent above the national average. The main factor is that the income tax burden is seventh-highest in the nation, in part because the state disallows the manufacturing deduction and has a throwback rule on tangible property sales, which exposes all of the operation's income to in-state tax.
- For new operations, Wisconsin ranks second for call centers with a total tax burden that is 93 percent below the national average. This operation has the lowest income tax costs in the nation due to the state's generous job and investment tax credits and the sourcing rules that place the operation's income out of state where the benefits are received. Additionally, the state offers the highest withholding tax rebate in the nation.
- Wisconsin ranks 40th for new retail with a total tax burden that is 17 percent above the national average. The main factor is that this operation faces the ninth-highest property tax burden in the nation, as well as the tenth-highest unemployment insurance tax burden.
- Wisconsin offers relatively generous incentives, particularly for all new firms except retail, which explains why these new firms tend to rank higher than their mature counterparts.

# Wisconsin

## Corporate income tax

Main tax rate	7.900%
Applies to income over	–
Specific adjustments:	
- s.199 deduction disallowed	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			Yes
Interstate services income apportionment			Benefits

## Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate <sup>a</sup>	Land	Buildings	Equipment	Inventory
Tier 1	Milwaukee	5.350%	2.340%	2.340%	2.340%	2.340%
Tier 2	Eau Claire	5.500%	2.032%	2.032%	2.032%	2.032%

a. Manufacturing machinery is exempt from sales tax

## Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
4.10%	\$13,000	n/a	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

## Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	3% to 5% of eligible capital investment	✓	✓	✓	✓	✓	✓	
Job creation	\$6,000 per new job	✓	✓	✓	✓	✓	✓	
Withholdings	5% of payroll x 10 years	✓	✓	✓	✓	✓	✓	
R&D	5% of in-state R&D expenses, per federal concepts						✓	
Property tax	State tax exemption for mfg. machinery	✓	✓					

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

## Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	7.0%	6.9%	1.7%	35.9%	7.8%	3.9%	38.2%		16.8%	14.2%	18.3%	32.5%	17.2%	10.7%	19.2%			
Index	61.7	59.0	6.9	99.3	48.3	26.3	117.4	<b>59.8</b>	132.4	121.6	87.4	106.1	109.5	83.5	113.7	<b>107.7</b>		
Rank	14	6	2	29	3	4	40	<b>4</b>	42	39	19	34	38	16	37	<b>35</b>		

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store