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manufacturing and agriculture tax credit

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Manufacturing and Agriculture Tax Credit

The manufacturing and agriculture tax credit (MAC) is intended to enhance the competitiveness of the manufacturing and agriculture sectors in Wisconsin and to incent businesses to locate their manufacturing and agriculture property in the state. Both sectors are key industries in terms of employment and production in Wisconsin.

The manufacturing sector in Wisconsin generally employs more workers and contributes more to gross domestic product (GDP) relative to other states. According to the U.S. Bureau of Labor Statistics (BLS), manufacturing accounted for almost 19% of state GDP in 2019. For comparison, manufacturing accounted for 11% of U.S. GDP in 2019. Manufacturing employment levels in Wisconsin are similarly larger than average. In terms of overall GDP, Wisconsin's manufacturing sector was the 11th largest in 2019 (\$58.3 billion) according to the U.S. Bureau of Economic Analysis.

According to the BLS quarterly census of employment and wages, manufacturing employment accounted for approximately 19% of average annual total employment in Wisconsin and more than 22% of total annual wages, compared to 10% and 12%, respectively, nationally. Wisconsin is second only to Indiana both in terms of the concentration of manufacturing employment (20%) and wages (26%) in the United States.

Wisconsin's agricultural industry likewise contributes larger than most other states to economic output. According to the United States Department of Agriculture (USDA), in 2019, Wisconsin was the eighth largest agricultural producing state, as measured by state receipts for all commodities (\$11.3 billion), comprising 3.1% of total U.S. receipts. In terms of net value added, the contribution of Wisconsin's agricultural sector to the production of goods and services in the U.S.

economy in 2019 (\$4.5 billion) was the ninth highest, accounting for 3.0% of U.S. net value added by agriculture. Overall, in terms of GDP, Wisconsin's agricultural sector was 10th largest (\$7.2 billion).

The MAC offsets a significant share of Wisconsin income and franchise tax liability from manufacturing and agriculture activity. The credit is equal to 7.5% of a claimant's eligible qualified production activities income (QPAI). For 2019-20, the revenue reduction from the MAC is estimated at \$334.4 million, which is approximately 1.9% of overall general fund tax revenues collected in that year.

This paper provides: (a) background information on the history of the MAC; (b) a description of how the MAC is computed and claimed; (c) tax year statistics and the estimated cost of the credit by fiscal year; and (d) a discussion of tax policy regarding the purposes and effectiveness of the MAC.

Historical Development of the MAC

The MAC is based substantially upon a previously available federal deduction for domestic production activities.

Federal law has provided for a variety of export focused policies with the goals of promoting domestic employment and improving the United States' balance of payments. The American Jobs Creation Act of 2004 created the Internal Revenue Code (IRC) Section 199 domestic production activities deduction (Section 199 deduction) as a replacement for certain export tax benefits that were

inconsistent with international trade agreements.

The Section 199 deduction was intended to increase domestic investment and employment, improve the competitiveness of manufacturers in global markets, and offset the repeal of tax benefits previously provided for exporters. While Section 199 was formally a deduction, it was designed to act similar to a tax rate reduction for domestic production activities, rather than as a deduction to reflect a business expense. By reducing taxes, the provision was meant to increase cash flow for businesses that could spur domestic investment and employment.

The Section 199 deduction was phased in from 2005 through 2010, and was equal to the lesser of: (a) 9% of a business' QPAI; or (b) taxable income. In other words, for qualifying income, the Section 199 deduction effectively reduced the federal corporate tax rate by up to 3.15 percentage points (9% of the 35% corporate tax rate).

The deduction could not exceed 50% of the total taxable employee wages allocable to domestic production gross receipts paid by the taxpayer during the tax year. The wage limitation ensured that the deduction was available only for businesses paying wages to domestic employees engaged in domestic production activities.

QPAI was calculated by reducing the taxpayer's domestic production gross receipts by the cost of goods sold and other deductions, expenses, or losses directly allocable to such receipts and a ratable amount of indirect expenses. Income eligible for the Section 199 deduction included income derived from certain production property manufactured, produced, or extracted within the United States, plus certain other income. Although the deduction was centered around the manufacturing sector, as amended by later federal legislation, the types of businesses having QPAI was broadened to include income from various business, such as film production, construction of real property, software development, and engineering and

architectural services.

The Section 199 deduction for domestic production activities was adopted for state income and franchise tax purposes under provisions of 2005 Act 25. However, the deduction was later repealed, pursuant to 2009 Act 28. As a result, the state deduction was only in effect for tax years 2005 through 2008.

Subsequently, 2011 Act 32 created a new state credit for domestic production activities, which is described in more detail below. The credit has been amended several times to its current form, including changing the name of the credit to the manufacturing and agriculture tax credit in order to better reflect the activities eligible for the state credit, as compared to those qualifying under the broader federal Section 199 deduction.

Ultimately, the Section 199 deduction was repealed by the federal Tax Cuts and Jobs Act of 2017 (TCJA) for tax years beginning after December 31, 2017. In part, the deduction was repealed because the TCJA made U.S. corporate taxes more internationally competitive by lowering the federal corporate income tax rate from 35% to 21% and eliminating the corporate alternative minimum tax. Further, the TCJA created a new deduction under IRC Section 199A for qualified business income, which provides a certain 20% deduction for pass-through entities.

Manufacturing and Agriculture Tax Credit

The MAC equals 7.5% of the claimant's eligible QPAI derived from Wisconsin property that is assessed as manufacturing or agricultural under state property tax law. The tax credit is nonrefundable. The current credit percentage of 7.5% took effect in tax year 2016 and was phased in over a four-year period beginning in tax year 2013. The credit percentage was equal to: (a) 1.875% for tax

year 2013; (b) 3.75% for 2014; and (c) 5.025% for 2015.

The MAC is designed to provide tax relief in proportion to the amount of the claimant's manufacturing and agricultural property that is located in Wisconsin. For example, if half of the property a claimant owns or uses in manufacturing activities is located in Wisconsin, then the MAC would be equal to 7.5% of half of the claimant's eligible QPAI.

The MAC can be used under the corporate income/franchise tax and the individual income tax. Assuming all of a corporation's income is derived from manufacturing and agriculture property located in Wisconsin, the MAC has the effect of reducing the statutory corporate tax rate of 7.9% to an effective rate of 0.4% on the corporation's taxable income ($7.9\% - 7.5\% = 0.4\%$). For a similar taxpayer filing under the individual income tax in 2020, the MAC would eliminate all income tax liability up to \$3.7 million of taxable income, after which an effective tax rate of 0.15% would apply (highest marginal tax rate of $7.65\% - 7.5\% = 0.15\%$).

Table 1 shows how the MAC is computed. To determine "eligible qualified production activities income" to which the credit rate applies, QPAI is

first calculated. QPAI is defined as production gross receipts reduced by: (a) the cost of goods sold; (b) direct costs; and (c) indirect costs as multiplied by a gross receipts factor.

"Production gross receipts" are gross receipts from the lease, rental, license, sale, exchange, or other disposition of "qualified production property," as well as crop insurance proceeds included in federal adjusted gross income received as a result of the destruction of crops. "Qualified production property" means either of the following: (a) tangible personal property manufactured in whole, or in part, by the claimant on property that is assessed as manufacturing property under state property tax law; or (b) tangible personal property produced, grown, or extracted in whole, or in part, by the claimant on, or from, property that is assessed as Wisconsin agricultural property.

The cost of goods sold is the production cost associated with the production gross receipts. Direct and indirect costs are those associated with the production gross receipts, including all ordinary and necessary expenses paid or incurred during the taxable year to carry on a trade or business that are deductible as a business expense and are identified as direct or indirect costs in managerial or cost accounting records.

Table 1: Computing the Manufacturing and Agriculture Tax Credit

$$\text{MAC} = 7.5\% \times (\text{eligible qualified production activities income})$$

Where

- Eligible Qualified Production Activities Income = (property factor) x (qualified production activities income)
- Property Factor = $\frac{\text{average value of claimant's property owned or used in WI assessed as manufacturing [or agriculture]}}{\text{average value of all of claimant's real and personal property used for manufacturing [or agriculture]}}$
- Qualified Production Activities Income = (production gross receipts) - (costs of goods sold) - (direct costs of receipts) - (indirect costs x production gross receipts factor)
- Production Gross Receipts Factor = $\frac{\text{production gross receipts}}{\text{gross income from all sources not excluded under WI or federal law}}$

"Production gross receipts factor" means a fraction, the numerator of which is "production gross receipts" and the denominator of which is all income from whatever source, except those items excluded under the IRC that are adopted and otherwise excluded under Wisconsin law. The denominator includes the following as income prior to apportioning income to Wisconsin: (a) sales; (b) gross dividends; (c) gross interest income; (d) gross rents; (e) gross royalties; (f) the gross sales price from the disposition of capital assets and business assets; (g) gross income from pass-through entities; and (h) all other gross receipts that are included in income.

QPAI does not include: (a) income from film production; (b) income from producing, transmitting, or distributing electricity, natural gas, or potable water; (c) income from constructing real property; (d) income from engineering or architectural services performed with respect to constructing real property; (e) income from the sale of food and beverages prepared by the claimant at a retail establishment; or (f) income from the lease, rental, license, sale, exchange, or other disposition of land.

QPAI is modified to determine eligible qualified production activities income. Specifically, the claimant is required to multiply the qualified production activities income from property manufactured by the claimant by the manufacturing property factor, and the qualified production activities income from property produced, grown, or extracted by the claimant by the agriculture property factor.

The "manufacturing property factor" is calculated as a fraction. The numerator is the average value of the claimant's real and personal property assessed as manufacturing property owned or rented, and used in Wisconsin by the claimant during the tax year to manufacture qualified production property. The denominator is the average value of all the claimant's real and personal property owned or rented during the tax year and used

by the claimant to manufacture qualified production property. The "agriculture property factor" is calculated in a similar manner based on the claimant's agricultural property.

Claiming the MAC

The MAC must be claimed within four years of the unextended due date of the claimant's tax return. For individuals and other calendar year filers, that generally would be four years after the 15th of April following the year to which the claim relates (so for tax year 2021 the credit must be claimed on or before April 15, 2026). Similarly, for corporations, the return for the tax year is due the 15th day of the fourth month following the close of the tax year. However, a corporate tax year may either be the calendar year or the corporation's fiscal year, and so the MAC claim could be made in a different month than April. For example, for a corporation having a 2021 tax year beginning July 1, 2021, and ending June 30, 2022, the claim would need to be made on or before October 15, 2026.

There is no maximum amount of MAC a taxpayer may claim. However, because the MAC is nonrefundable and is computed with respect to eligible QPAI, the maximum amount of credit is necessarily limited by the gross amount of tax applicable to the manufacturing or agricultural business operations that were used to compute the MAC.

For business owners that file under the individual income tax, the MAC may only be used to offset tax imposed on eligible manufacturing or agricultural income. It cannot be used to offset the tax on other sources of income earned by the claimant. In addition, the amount of income on which the MAC is calculated must be reduced by the amount of QPAI that is claimed under the credit for taxes

paid to another state, so that the same income cannot be used to compute the two different tax credits.

Partnerships, limited liability companies treated as partnerships, and tax-option (S) corporations may not claim the MAC. Instead, the credit computed by those entities can pass through to these entities' respective partners, members, or shareholders based on the amount of QPAI generated by the pass-through entities. However, partnerships, limited liability companies, and S corporations that elect to be taxed at the entity level may not claim the MAC (and neither may the owners). Trusts and estates may pass the credit through to their beneficiaries based on the income allocable to each. Insurance companies cannot claim the credit.

For corporations, the amount of eligible QPAI that can be claimed in computing the credit is the lesser of: (a) the eligible QPAI determined under the MAC provisions; (b) income apportioned to Wisconsin under state income/franchise tax allocation and separate accounting, and/or apportionment provisions; or (c) income determined as taxable under state combined reporting provisions. The MAC can only be used to offset the net tax of the corporation that generated the credit. The MAC cannot be shared with other members of a combined group.

Current law generally requires state business tax credits to be added to income in the tax year for which they are computed, regardless of whether or not the credit is used. However, the MAC is based on the eligible QPAI of the claimant for that year and hence presents a circular reference for purposes of computing the addition. To address this issue, the claimant is required to include the current tax year's MAC in their income in the following tax year.

Data on Claim and Use of the MAC by Taxpayers

Individual Income Tax

Aggregate data from individual income tax returns can be compiled to show the income distribution of individual claimants that use the MAC. Attachments 1 through 7 show the manufacturing tax credit used by individuals by Wisconsin adjusted gross income (AGI) group, including: (a) the number of individual income tax filers who claimed and used the MAC; (b) the amount of MAC used; (c) the average amount of MAC used by those filers; (d) the total and average Wisconsin AGI of those filers; (e) the aggregate and average net tax of those claimants; and (f) the share of those claimants compared to all persons filing individual income tax returns. Attachments 8 through 14 show the same information, but for the agriculture portion of the MAC. In both cases, the data shown are preliminary aggregate statistics provided by the Department of Revenue (DOR).

As shown in the attachments, from tax years 2013 through 2019, 41,810 individual filers claimed and used a total of \$1,170.8 million of the manufacturing portion of the MAC. For the agricultural portion of the MAC, from tax year 2013 through 2019, 34,360 individual filers claimed and used a total of \$91.6 million. For tax year 2019, the average used manufacturing credit was \$39,455, compared to an average net tax of \$33,631. For tax year 2019, the average used agriculture credit was \$3,024, compared to an average net tax of \$3,023.

Considering the combined effects of the manufacturing and the agricultural portions of the credit, from tax years 2013 through 2019, there were 75,120 individual filers that claimed and used the MAC for a total credit amount of \$1,262.4 million and had a total net tax of \$1,481.9 million. For tax year 2019, the average

MAC used was \$24,504 compared to an average net tax of \$20,800 for taxpayers that claimed the credit.

Note that the income groups shown in the attachments consist of different sets of individuals, depending on income gains or losses, in each year. Thus, the counts shown for a particular income group will not consist of the same individuals compared across different tax years. In addition, some individual filers claimed both the manufacturing and agricultural components of the credit in the same tax year.

Corporate Income/Franchise Tax

Attachment 15 shows the distribution of corporate MAC claimants by Wisconsin net income class for tax years 2013 through 2016 (the most recent year available). The data is from aggregate statistics of tax filing data provided by DOR and shows the following data for MAC claimants: (a) total Wisconsin income; (b) the manufacturing portion of the MAC used; (c) the agriculture portion of the MAC used; (d) gross tax liability after MAC used; and (e) net tax liability.

As shown in Attachment 15, in tax years 2013 through 2016, corporate filers used a total of \$160.7 million of manufacturing MAC compared to only \$3.8 million of agriculture MAC. In tax year 2016, the first year in which the credit percentage of 7.5% was in effect, 601 corporate tax filers used the MAC for a total of \$61.2 million manufacturing MAC and \$0.6 million agriculture MAC. The average amount used in tax year 2016 was \$102,757 and the average net tax for MAC claimants was \$25,026.

Attachment 15 shows that the majority of MAC used is attributable to a relatively small number of corporations in the largest net income categories. In particular, for tax year 2016, 69.6% of the amount of MAC used was by 8.4% of the corporate filers using the credit. These corporations used an average MAC of \$859,598 and had

an average net tax of \$195,080.

The income categories shown in Attachment 15 do not directly translate into the size of corporations since, for example, a very large corporation which suffered a loss could have no taxable income in the year of the loss, or in succeeding years, if the loss was carried forward. Further, combined reports are shown on the member level, such that each member claiming the MAC on a combined tax return is shown as a separate entity (by law, they cannot share the credit with another member).

Unused Credits Carried Forward

While the preceding section discussed the amount of MAC used to offset state income and franchise tax liability, a portion of the amount claimed can exceed the tax liability of a claimant in a given tax year. Similar to other state nonrefundable tax credits, MAC amounts that were claimed but not used to offset tax liability can be carried forward to be used over the next 15 tax years. However, because credit claimants are likely to earn additional MAC in future tax years, there is limited opportunity to utilize previously unused MAC to offset future tax liability.

For example, based on DOR aggregate statistics of the individual income tax for tax year 2018, individual filers carried forward approximately \$126 million in unused MAC into tax year 2018. This amount increased to \$191 million unused MAC carried into tax year 2019. Likewise, based on tax sample data for corporate income/franchise tax, DOR estimates that corporate claimants carried forward \$68 million of unused MAC into tax year 2017, which increased to \$83 million in unused MAC carried forward into tax year 2018 (the most recent year for which data is available).

It is unclear to what extent this large and growing stock of unused, carried forward MAC is essentially unusable. As discussed above, the MAC is based on a prior federal deduction

designed to effectively lower the tax rate on QPAI by offsetting income earned in a particular year. The MAC will likewise lower the rate in subsequent years. As a result, a claimant's QPAI will always be reduced by the current year's MAC, leaving little remaining QPAI to which carried forward MAC could apply.

Table 2 shows the estimated revenue reduction from the MAC from 2012-13 through 2019-20 split between the manufacturing and agricultural portion of the credit under both the corporate income/franchise tax and the individual income tax.

Over the eight-year period shown in Table 2, the manufacturing portion of the credit accounts for approximately 94% of the estimated revenue reduction and the agricultural portion accounts for 6%. Approximately 79% of the credit is estimated to be claimed under the individual income tax and 21% under the corporate tax.

As previously noted, the estimated revenue reductions due to the MAC were estimated based on available data to-date from state tax returns. As additional corporate income/franchise and individual income tax return data becomes available, the estimates shown in Table 2 may change.

Estimated Fiscal Effect by Component of the MAC

Unlike deductions and other nonrefundable business tax credits, the MAC is not limited by a claimant's business expenses or other categories of spending. As a result, the use of the MAC has grown substantially since it was created and phased-in over tax year 2013 through tax year 2016, and has grown thereafter as net income from manufacturing and agricultural activity has grown.

It is estimated that the MAC reduced state tax revenues by \$15.8 million in 2012-13, \$81.8 million in 2013-14, \$152.4 million in 2014-15, \$210.2 million in 2015-16, \$254.8 million in 2016-17, \$281.1 million in 2017-18, \$319.5 million in 2018-19 and \$334.4 million in 2019-20. The current estimates are primarily based on aggregate individual income tax statistics for tax years 2013 through 2018 and corporate income/franchise tax return data for tax years 2013 through 2016 from DOR.

Policy Considerations

Several modifications and reforms to the MAC have been proposed since its inception. For example, 2019 Act 167 expanded the MAC to include crop insurance proceeds in QPAI, so as to not disadvantage farmers receiving payments whose crops have been destroyed compared to farmers who could use the credit against the income from successfully harvesting and selling their crop. As

Table 2: Estimated Fiscal Effect by Component of the MAC (in Millions)

State Fiscal Year	<u>Corporate Tax</u>		<u>Individual Income Tax</u>		<u>Combined State Tax Reduction</u>	
	Manufacturing	Agriculture	Manufacturing	Agriculture	Manufacturing	Agriculture
2012-13	\$4.1	\$0.2	\$9.2	\$2.3	\$13.3	\$2.5
2013-14	21.4	0.8	49.1	10.5	70.5	11.3
2014-15	40.1	1.1	97.2	14.0	137.3	15.1
2015-16	51.7	1.1	143.5	13.9	195.2	15.0
2016-17	51.5	1.1	188.8	13.4	240.3	14.5
2017-18	53.9	1.1	213.5	12.6	267.4	13.7
2018-19	54.3	1.1	253.3	10.8	307.6	11.9
2019-20	58.6	1.2	263.4	11.2	322.0	12.4

another example, Governor Evers initially proposed as part of the 2019-21 biennial budget bill to limit the use of the MAC by higher-income individuals and corporations. The Governor's provision would have limited the amount of QPAI from manufacturing activities a claimant may use to compute the MAC to no more than \$300,000, thereby providing for an effective maximum MAC claim of \$22,500. The provision was ultimately removed during the deliberations on the 2019-21 budget bill.

A discussion of policy considerations and other proposals to modify the MAC are discussed below.

Critics of the MAC argue that it is necessary to limit the amount of MAC claims. This includes limiting the amount of QPAI a claimant may use to compute the MAC or otherwise linking the MAC to some percentage of the taxable wages paid by the taxpayer (such as the federal Section 199 deduction on which the MAC was based).

In favor of such limits, critics argue that the fiscal effect of the MAC is quite large, and that this foregone revenue detracts from spending on other economic development programs. As shown in Table 2, the cost of the MAC has grown each year since its inception, and is estimated at \$334.4 million in 2019-20. This amount represents approximately 1.9% of overall general fund tax revenues collected in 2019-20. Assuming that a similar amount of revenue could have been available in the absence of the MAC, these revenues could have been used in other ways to develop the economy, such as by lowering tax rates for all businesses, or by funding programs that improve the quality of the state's workforce, education, and public infrastructure.

Further, critics question the cost effectiveness of the credit for job creation. Since there is no requirement to create or retain jobs in order to compute or claim the credit, such information is not reported to DOR or other state agencies in

connection with the use of the credit. For that reason, no evidence directly and explicitly links the creation of any particular job, wage increase, or investment to the use of the MAC. Instead, some claimants may use the enhanced cash flow from the MAC to increase dividends, retain earnings, or invest in automation rather than creating or retaining jobs. Thus, even if the MAC incents investment in Wisconsin manufacturing or agricultural property, this increased investment may not necessarily enhance job creation. Because it is difficult to collect direct evidence quantifying the effectiveness of the credit, it is unclear what proportion of the estimated cost of MAC is captured as a windfall by manufacturers or farmers who do not require additional incentives to produce in the state.

On the other hand, proponents of the MAC argue that the credit should be maintained without a limitation on claims. They argue that large firms employ more workers and invest more into the local economy, and so it is not problematic to provide for larger benefits based on QPAI without limitation. Similar to the federal Section 199 deduction discussed above, the MAC is intended to increase cash flow and spur investment and employment in qualified activities by making Wisconsin-based manufacturers and agricultural producers more competitive in the global marketplace over the long term. Compared to other states, a lower effective tax rate tends to incent manufacturers and farmers to locate their property in Wisconsin, including larger firms that employ large numbers of workers.

Proponents also argue that the cost of the MAC is justified because manufacturing not only provides relatively well-paying, stable employment for workers, but also generates positive externalities in the local economy. This includes inducing new jobs by the manufacturer spending in the local economy (such as via supply chain purchases for various inputs) and by creating jobs whereby the manufacturer's employees spend their higher wages at local businesses. Thus, providing larger

firms with unlimited MAC arguably provides more benefits to the economy over the long term, than would an MAC with limitations on claims.

Proponents of the MAC point out that targeting the manufacturing and agricultural sectors for tax benefits, as opposed to business more generally, makes economic sense because manufacturers and farmers sell tradable goods across state lines. These sectors are more likely to reach larger economies of scale, be more productive, and bring money into the local economy from sales into a larger interstate/international market. Such firms are more likely to compete with firms outside the state, rather than compete solely with local firms, and thus the gains from assisting these sectors may come from improved national or international market share, as opposed to from disadvantaging other local employers. For this reason, proponents argue that the MAC has a heightened impact on creating both induced and indirect jobs since the jobs gained are not offset by jobs lost at in-state competitors.

Other proposals would repeal the MAC in favor of broad-based tax reductions or other economic development programs. Critics of the MAC offer these proposals for several reasons.

First, nonrefundable tax credits offer little or no benefit to companies that most need assistance. Marginally profitable or break-even firms typically have low effective marginal tax rates, and insufficient taxable income or tax liability to utilize nonrefundable tax credits. Indeed, 28.6% of corporate MAC claimants had \$0 or less of net income in tax year 2016 and could not use the MAC. Thus, ironically, the MAC provides the least amount of tax benefit to marginally profitable or break-even firms exactly when they are most likely to consider a new venture, layoff employees, or close a plant. For example, an unprofitable dairy farm cannot benefit from the nonrefundable MAC if there is no net income tax liability to offset. Likewise, a startup company is more likely to have low initial revenues relative to

its costs, and thus unlikely to utilize a nonrefundable tax credit during its startup phase. More profitable companies, on the other hand, benefit from the MAC to a greater extent than less profitable businesses without regard to the number of workers they employ because the credit is computed as a proportion of QPAI and not based on relative gains in wages or jobs. The characteristic of providing greater benefits to more profitable firms lessens the cost effectiveness of the MAC in retaining or creating jobs or increasing wages.

Proponents counter that the MAC is designed to improve the competitiveness of the manufacturing and agriculture sectors over the long term by lowering the effective income and franchise tax rates. The MAC is not a transactional credit designed to create any one particular project or job. Instead, proponents argue that lower tax rates over the long term will spur investment, economic growth, and overall employment in the state. Thus, while a particular company may not require the credit in a particular year to maintain their employment in the state, over many years, it may cause that company to invest in Wisconsin and employ more workers than it otherwise would have.

Second, critics also argue that the MAC inequitably provides large tax benefits for high-income tax filers (vertical inequity). After applying the MAC, the owners of a manufacturing company would need to earn more than \$3.7 million of QPAI from the business prior to owing any individual income tax on manufacturing income, and after that would be taxed only at an effective tax rate of up to 0.15%. By contrast, based on aggregate 2018 tax filing statistics from DOR by Wisconsin AGI, a worker at that factory making between \$30,000 and \$40,000 annually would have had an average net tax liability of \$998.

Proponents counter that even accounting for MAC claims, manufacturing business owners pay a substantial amount of income and franchise tax. For example, Attachment 6 shows that 20

individual manufacturing MAC claimants in the highest Wisconsin AGI group had a combined net tax of \$66.6 million for tax year 2018 (which adjusts for all nonrefundable credits claimed and used, but not refundable tax credits). Further, in addition to income and franchise tax, these business owners paid other taxes to which the MAC does not apply. For example, DOR estimates that those 20 filers employed approximately 25,100 workers with collective payrolls of \$1,037 million, and withheld state income taxes for those workers in the amount of \$46.0 million in 2018. This estimate reflects all employees (not only those involved in manufacturing or agricultural activities) reported by business entities that generated any MAC, prorated by share of ownership for these filers.

Finally, critics argue that the MAC is economically inefficient because it inequitably treats similarly situated companies differently (horizontal inequity). By design, the beneficial treatment afforded by the MAC to income from manufacturing and agriculture encourages more investment in those activities and less in nonqualified activities, such as services and retail, which are taxed at a higher rate. As a result, the MAC distorts the return between different investments, even for those whose marginal return it improves. Other sectors also compete in national and international markets, such as finance, information technology, and

life sciences. Therefore, providing tax benefits to manufacturing and agriculture sectors under the MAC may reduce the incentive to invest into other high value, strategically important sectors of the economy that compete in national and international markets.

On the other hand, as discussed above, Wisconsin's manufacturing and agriculture sectors employ more workers and contribute more to GDP relative to other states. Thus, proponents argue that focusing on these sectors via the MAC makes sense given the outsized impact they have for the Wisconsin economy. Further, given its size, manufacturing is an important driver of innovation in the state. According to the 2018 Business Enterprise Research and Development Survey by the National Center for Science and Engineering Statistics, companies in manufacturing industries performed 62% (\$274 billion) of all the domestic research and development nationwide and 62% (\$3.7 billion) of research and development in Wisconsin. Both the firms engaging in the research and development and the businesses that use those innovations benefit from the growth in productivity in the local economy. Thus, targeting the manufacturing sector for economic development via the MAC, it is argued, also boosts long-term productivity in a number of sectors and helps to attract or retain well-educated, highly compensated engineers and researchers.

ATTACHMENT 1

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2013* (Manufacturing Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Manufacturing MAC	Percent of Amount	Average Manufacturing MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	60	1.2%	\$27,000	0.1%	\$450	\$157,000	\$2,617	\$48,000	\$800	0.002%
5,000 to 10,000	70	1.4	9,000	<0.1	129	477,000	6,814	12,000	171	0.002
10,000 to 15,000	50	1.0	13,000	<0.1	260	571,000	11,420	19,000	380	0.002
15,000 to 20,000	50	1.0	15,000	<0.1	300	827,000	16,540	23,000	460	0.002
20,000 to 25,000	40	0.8	16,000	<0.1	400	958,000	23,950	33,000	825	0.001
25,000 to 30,000	60	1.2	32,000	0.1	533	1,726,000	28,767	38,000	633	0.002
30,000 to 40,000	100	2.0	47,000	0.1	470	3,434,000	34,340	51,000	510	0.003
40,000 to 50,000	120	2.4	48,000	0.1	400	5,456,000	45,467	137,000	1,142	0.004
50,000 to 60,000	130	2.6	77,000	0.2	592	7,193,000	55,331	220,000	1,692	0.004
60,000 to 70,000	120	2.4	60,000	0.1	500	7,669,000	63,908	253,000	2,108	0.004
70,000 to 80,000	130	2.6	79,000	0.2	608	9,576,000	73,662	348,000	2,677	0.004
80,000 to 90,000	140	2.8	127,000	0.3	907	11,841,000	84,579	471,000	3,364	0.005
90,000 to 100,000	110	2.2	94,000	0.2	855	10,466,000	95,145	431,000	3,918	0.004
100,000 to 125,000	280	5.6	227,000	0.5	811	30,888,000	110,314	1,282,000	4,579	0.009
125,000 to 150,000	270	5.4	263,000	0.6	974	36,722,000	136,007	1,506,000	5,578	0.009
150,000 to 200,000	450	8.9	585,000	1.4	1,300	77,601,000	172,447	3,351,000	7,447	0.015
200,000 to 250,000	340	6.7	575,000	1.4	1,691	77,084,000	226,718	3,575,000	10,515	0.011
250,000 to 300,000	280	5.6	706,000	1.7	2,521	75,495,000	269,625	3,482,000	12,436	0.009
300,000 to 500,000	690	13.7	2,407,000	5.7	3,488	268,877,000	389,677	13,471,000	19,523	0.023
500,000 to 1,000,000	690	13.7	4,875,000	11.6	7,065	490,562,000	710,959	25,710,000	37,261	0.023
1,000,000 to 2,000,000	440	8.7	6,704,000	16.0	15,236	607,048,000	1,379,655	31,425,000	71,420	0.015
2,000,000 to 3,000,000	160	3.2	4,961,000	11.8	31,006	394,959,000	2,468,494	18,749,000	117,181	0.005
3,000,000 to 4,000,000	80	1.6	2,855,000	6.8	35,688	290,814,000	3,635,175	13,580,000	169,750	0.003
4,000,000 to 5,000,000	50	1.0	2,154,000	5.1	43,080	222,582,000	4,451,640	9,504,000	190,080	0.002
5,000,000 to 10,000,000	70	1.4	4,831,000	11.5	69,014	494,277,000	7,061,100	23,538,000	336,257	0.002
10,000,000 to 15,000,000	30	0.6	3,625,000	8.6	120,833	345,474,000	11,515,800	13,376,000	445,867	0.001
15,000,000 to 30,000,000	20	0.4	2,783,000	6.6	139,150	398,704,000	19,935,200	15,579,000	778,950	0.001
30,000,000 and over	<u>10</u>	<u>0.2</u>	<u>3,763,000</u>	<u>9.0</u>	376,300	<u>436,992,000</u>	43,699,200	<u>14,675,000</u>	1,467,500	<u><0.001</u>
Total	5,040	100.0%	\$41,958,000	100.0%	\$8,325	\$4,308,430,000	\$854,847	\$194,887,000	\$38,668	0.168%

* MAC percentage was 1.875% in tax year 2013.

Source: Department of Revenue Aggregate Statistics.

- Individual claimants having income of less than \$1.0 million represented 82.9% of all individual filers that used the manufacturing portion of the MAC in tax year 2013. They used \$10.3 million, representing 24.5% of the amount claimed, at an average claim of \$2,460. The net tax of those claimants was \$54.5 million, and the average net tax owed was \$13,029.

- Individual claimants having income of \$1.0 million or more represented 17.1% of all individual filers that used the manufacturing portion of the MAC in year 2013. They used \$31.7 million, representing 75.5% of the amount claimed, at an average claim of \$36,833. The net tax of those claimants was \$140.4 million, and the average net tax owed was \$163,286.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 2

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2014* (Manufacturing Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Manufacturing MAC	Percent of Amount	Average Manufacturing MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	70	1.3%	\$7,000	<0.1%	\$100	\$191,000	\$2,729	\$3,000	\$43	0.002%
5,000 to 10,000	60	1.1	12,000	<0.1	200	430,000	7,167	7,000	117	0.002
10,000 to 15,000	30	0.5	12,000	<0.1	400	416,000	13,867	3,000	100	0.001
15,000 to 20,000	50	0.9	24,000	<0.1	480	887,000	17,740	11,000	220	0.002
20,000 to 25,000	50	0.9	32,000	<0.1	640	1,187,000	23,740	15,000	300	0.002
25,000 to 30,000	50	0.9	25,000	<0.1	500	1,459,000	29,180	20,000	400	0.002
30,000 to 40,000	110	2.0	78,000	0.1	709	3,872,000	35,200	53,000	482	0.004
40,000 to 50,000	140	2.5	162,000	0.2	1,157	5,950,000	42,500	89,000	636	0.005
50,000 to 60,000	110	2.0	93,000	0.1	845	5,810,000	52,818	117,000	1,064	0.004
60,000 to 70,000	120	2.2	113,000	0.1	942	8,026,000	66,883	205,000	1,708	0.004
70,000 to 80,000	150	2.7	206,000	0.2	1,373	11,487,000	76,580	313,000	2,087	0.005
80,000 to 90,000	120	2.2	151,000	0.2	1,258	10,183,000	84,858	309,000	2,575	0.004
90,000 to 100,000	110	2.0	159,000	0.2	1,445	10,554,000	95,945	338,000	3,073	0.004
100,000 to 125,000	300	5.4	470,000	0.5	1,567	33,414,000	111,380	1,191,000	3,970	0.010
125,000 to 150,000	270	4.9	475,000	0.5	1,759	37,022,000	137,119	1,372,000	5,081	0.009
150,000 to 200,000	480	8.7	1,184,000	1.4	2,467	83,766,000	174,513	3,123,000	6,506	0.016
200,000 to 250,000	360	6.5	1,237,000	1.4	3,436	81,359,000	225,997	2,985,000	8,292	0.012
250,000 to 300,000	300	5.4	1,202,000	1.4	4,007	81,444,000	271,480	3,170,000	10,567	0.010
300,000 to 500,000	750	13.6	4,759,000	5.5	6,345	289,637,000	386,183	11,929,000	15,905	0.025
500,000 to 1,000,000	850	15.4	10,345,000	12.0	12,171	600,725,000	706,735	26,335,000	30,982	0.028
1,000,000 to 2,000,000	560	10.1	15,867,000	18.4	28,334	786,556,000	1,404,564	32,970,000	58,875	0.019
2,000,000 to 3,000,000	210	3.8	9,191,000	10.6	43,767	512,667,000	2,441,271	21,355,000	101,690	0.007
3,000,000 to 4,000,000	80	1.4	5,229,000	6.1	65,363	258,140,000	3,226,750	10,609,000	132,613	0.003
4,000,000 to 5,000,000	50	0.9	3,586,000	4.2	71,720	214,344,000	4,286,880	8,611,000	172,220	0.002
5,000,000 to 10,000,000	100	1.8	12,612,000	14.6	126,120	663,745,000	6,637,450	23,967,000	239,670	0.003
10,000,000 to 15,000,000	20	0.4	4,236,000	4.9	211,800	240,999,000	12,049,950	10,042,000	502,100	0.001
15,000,000 to 30,000,000	20	0.4	5,868,000	6.8	293,400	441,566,000	22,078,300	17,264,000	863,200	0.001
30,000,000 and over	10	0.2	9,042,000	10.5	904,200	1,681,655,000	168,165,500	51,668,000	5,166,800	<0.001
Total	5,530	100.0%	\$86,377,000	100.0%	\$15,620	\$6,067,491,000	\$1,097,195	\$228,074,000	\$41,243	0.185%

* MAC percentage was 3.75% in tax year 2014.

Source: Department of Revenue Aggregate Statistics.

- Individual claimants having income of less than \$1.0 million represented 81.0% of all individual filers that used the manufacturing portion of the MAC in tax year 2014. They used \$20.8 million, representing 24.0% of the amount claimed, at an average claim of \$4,631. The net tax of those claimants was \$51.6 million, and the average net tax owed was \$11,515.

- Individual claimants having income of \$1.0 million or more represented 19.0% of all individual filers that used the manufacturing portion of the MAC in tax year 2014. They used \$65.6 million, representing 76.0% of the amount claimed, at an average claim of \$62,506. The net tax of those claimants was \$176.5 million, and the average net tax owed was \$168,082.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 3

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2015* (Manufacturing Claimants Only)

<u>Wisconsin Adjusted Gross Income</u>	<u>Count</u>	<u>Percent of Count</u>	<u>Total Manufacturing MAC</u>	<u>Percent of Amount</u>	<u>Average Manufacturing MAC</u>	<u>Total Wisconsin AGI</u>	<u>Average Wisconsin AGI</u>	<u>Total Net Tax</u>	<u>Average Net Tax</u>	<u>Claimants as a Share of All Filers</u>
Under \$5,000	130	2.2%	\$30,000	<0.1%	\$231	\$336,000	\$2,585	\$3,000	\$23	0.004%
5,000 to 10,000	140	2.3	44,000	<0.1	314	925,000	6,607	8,000	57	0.005
10,000 to 15,000	90	1.5	46,000	<0.1	511	1,095,000	12,167	6,000	67	0.003
15,000 to 20,000	50	0.8	48,000	<0.1	960	902,000	18,040	14,000	280	0.002
20,000 to 25,000	50	0.8	29,000	<0.1	580	1,073,000	21,460	16,000	320	0.002
25,000 to 30,000	70	1.2	60,000	<0.1	857	2,012,000	28,743	35,000	500	0.002
30,000 to 40,000	110	1.8	74,000	0.1	673	3,896,000	35,418	62,000	564	0.004
40,000 to 50,000	120	2.0	107,000	0.1	892	5,466,000	45,550	79,000	658	0.004
50,000 to 60,000	140	2.3	215,000	0.2	1,536	7,606,000	54,329	118,000	843	0.005
60,000 to 70,000	140	2.3	178,000	0.1	1,271	8,985,000	64,179	227,000	1,621	0.005
70,000 to 80,000	120	2.0	150,000	0.1	1,250	8,979,000	74,825	243,000	2,025	0.004
80,000 to 90,000	110	1.8	119,000	0.1	1,082	9,340,000	84,909	311,000	2,827	0.004
90,000 to 100,000	130	2.2	205,000	0.2	1,577	12,457,000	95,823	392,000	3,015	0.004
100,000 to 125,000	320	5.4	572,000	0.4	1,788	35,823,000	111,947	1,175,000	3,672	0.011
125,000 to 150,000	310	5.2	654,000	0.5	2,110	42,276,000	136,374	1,508,000	4,865	0.010
150,000 to 200,000	490	8.2	1,535,000	1.2	3,133	85,875,000	175,255	2,970,000	6,061	0.016
200,000 to 250,000	370	6.2	1,447,000	1.1	3,911	81,781,000	221,030	2,921,000	7,895	0.012
250,000 to 300,000	290	4.8	1,540,000	1.2	5,310	80,087,000	276,162	2,828,000	9,752	0.010
300,000 to 500,000	810	13.5	7,127,000	5.5	8,799	315,915,000	390,019	11,293,000	13,942	0.027
500,000 to 1,000,000	890	14.9	15,450,000	11.9	17,360	631,918,000	710,020	23,376,000	26,265	0.029
1,000,000 to 2,000,000	570	9.5	21,982,000	17.0	38,565	807,608,000	1,416,856	29,301,000	51,405	0.019
2,000,000 to 3,000,000	200	3.3	13,366,000	10.3	66,830	488,384,000	2,441,920	16,409,000	82,045	0.007
3,000,000 to 4,000,000	110	1.8	9,748,000	7.5	88,618	387,980,000	3,527,091	13,158,000	119,618	0.004
4,000,000 to 5,000,000	60	1.0	7,552,000	5.8	125,867	261,098,000	4,351,633	7,836,000	130,600	0.002
5,000,000 to 10,000,000	110	1.8	19,458,000	15.0	176,891	792,138,000	7,201,255	25,206,000	229,145	0.004
10,000,000 to 15,000,000	20	0.3	7,794,000	6.0	389,700	272,931,000	13,646,550	8,012,000	400,600	0.001
15,000,000 to 30,000,000	20	0.3	8,828,000	6.8	441,400	344,353,000	17,217,650	10,659,000	532,950	0.001
30,000,000 and over	<u>10</u>	<u>0.2</u>	<u>11,288,000</u>	<u>8.7</u>	<u>1,128,800</u>	<u>973,813,000</u>	<u>97,381,300</u>	<u>33,592,000</u>	<u>3,359,200</u>	<u><0.001</u>
Total	5,980	100.0%	\$129,646,000	100.0%	\$21,680	\$5,665,052,000	\$947,333	\$191,758,000	\$32,067	0.197%

* The MAC percentage was 5.025% in tax year 2015.

Source: Department of Revenue Aggregate Statistics.

- Individual claimants having income of less than \$1.0 million represented 81.6% of all individual filers that used the manufacturing portion of the MAC in tax year 2015. They used \$29.6 million, representing 22.9% of the amount claimed, at an average claim of \$6,072. The net tax of those claimants was \$47.6 million, and the average net tax owed was \$9,751.

- Individual claimants having income of \$1.0 million or more represented 18.4% of all individual filers that used the manufacturing portion of the MAC in tax year 2015. They used \$100.0 million, representing 77.1% of the amount claimed, at an average claim of \$90,924. The net tax of those claimants was \$144.2 million, and the average net tax owed was \$131,066.

-To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 4

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2016 (Manufacturing Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Manufacturing MAC	Percent of Amount	Average Manufacturing MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	160	2.6%	\$26,000	<0.1%	\$163	\$420,000	\$2,625	\$2,000	\$13	0.005%
5,000 to 10,000	150	2.4	58,000	<0.1	387	1,124,000	7,493	7,000	47	0.005
10,000 to 15,000	60	1.0	35,000	<0.1	583	802,000	13,367	13,000	217	0.002
15,000 to 20,000	60	1.0	51,000	<0.1	850	1,112,000	18,533	10,000	167	0.002
20,000 to 25,000	60	1.0	50,000	<0.1	833	1,396,000	23,267	16,000	267	0.002
25,000 to 30,000	50	0.8	45,000	<0.1	900	1,434,000	28,680	15,000	300	0.002
30,000 to 40,000	150	2.4	115,000	0.1	767	5,131,000	34,207	47,000	313	0.005
40,000 to 50,000	140	2.2	167,000	0.1	1,193	6,289,000	44,921	77,000	550	0.005
50,000 to 60,000	130	2.1	157,000	0.1	1,208	7,047,000	54,208	122,000	938	0.004
60,000 to 70,000	130	2.1	159,000	0.1	1,223	8,196,000	63,046	189,000	1,454	0.004
70,000 to 80,000	110	1.8	156,000	0.1	1,418	7,949,000	72,264	189,000	1,718	0.004
80,000 to 90,000	120	1.9	190,000	0.1	1,583	10,103,000	84,192	277,000	2,308	0.004
90,000 to 100,000	140	2.2	266,000	0.1	1,900	13,320,000	95,143	385,000	2,750	0.005
100,000 to 125,000	310	5.0	764,000	0.4	2,465	33,992,000	109,652	937,000	3,023	0.010
125,000 to 150,000	310	5.0	934,000	0.5	3,013	43,228,000	139,445	1,255,000	4,048	0.010
150,000 to 200,000	560	9.0	2,156,000	1.1	3,850	96,812,000	172,879	2,956,000	5,279	0.018
200,000 to 250,000	430	6.9	2,442,000	1.3	5,679	96,408,000	224,205	2,795,000	6,500	0.014
250,000 to 300,000	310	5.0	2,090,000	1.1	6,742	85,216,000	274,890	2,545,000	8,210	0.010
300,000 to 500,000	820	13.1	9,634,000	5.0	11,749	317,613,000	387,333	9,281,000	11,318	0.027
500,000 to 1,000,000	950	15.2	22,394,000	11.5	23,573	665,726,000	700,764	18,624,000	19,604	0.031
1,000,000 to 2,000,000	570	9.1	29,309,000	15.1	51,419	802,403,000	1,407,725	22,419,000	39,332	0.019
2,000,000 to 3,000,000	190	3.0	18,133,000	9.3	95,437	469,913,000	2,473,226	11,763,000	61,911	0.006
3,000,000 to 4,000,000	90	1.4	11,018,000	5.7	122,422	295,330,000	3,281,444	7,092,000	78,800	0.003
4,000,000 to 5,000,000	80	1.3	12,952,000	6.7	161,900	336,184,000	4,202,300	7,519,000	93,988	0.003
5,000,000 to 10,000,000	110	1.8	28,257,000	14.6	256,882	764,650,000	6,951,364	18,979,000	172,536	0.004
10,000,000 to 15,000,000	30	0.5	11,847,000	6.1	394,900	300,048,000	10,001,600	5,676,000	189,200	0.001
15,000,000 to 30,000,000	20	0.3	15,498,000	8.0	774,900	438,866,000	21,943,300	8,911,000	445,550	0.001
30,000,000 and over	<u>10</u>	<u>0.2</u>	<u>25,273,000</u>	<u>13.0</u>	<u>2,527,300</u>	<u>1,238,982,000</u>	<u>123,898,200</u>	<u>32,479,000</u>	<u>3,247,900</u>	<u><0.001</u>
Total	6,250	100.0%	\$194,176,000	100.0%	\$31,068	\$6,049,694,000	\$967,951	\$154,580,000	\$24,733	0.206%

Source: Department of Revenue Aggregate Statistics.

- Individual claimants having income of less than \$1.0 million represented 82.4% of all individual filers that used the manufacturing portion of the MAC year 2016. They used \$41.9 million, representing 21.6% of the amount claimed, at an average claim of \$8,134. The net tax of those claimants was \$39.7 million, and the average net tax owed was \$7,717.

- Individual claimants having income of \$1.0 million or more represented 17.6% of all individual filers that used the manufacturing portion of the MAC in tax year 2016. They used \$152.3 million, representing 78.4% of the amount claimed, at an average claim of \$138,443. The net tax of those claimants was \$144.8 million, and the average net tax owed was \$104,398.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 5

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2017 (Manufacturing Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Manufacturing MAC	Percent of Amount	Average Manufacturing MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	230	3.7%	\$42,000	<0.1%	\$183	\$512,000	\$2,226	\$2,000	\$9	0.008%
5,000 to 10,000	130	2.1	47,000	<0.1	362	914,000	7,031	2,000	15	0.004
10,000 to 15,000	70	1.1	36,000	<0.1	514	898,000	12,829	9,000	129	0.002
15,000 to 20,000	90	1.4	75,000	<0.1	833	1,557,000	17,300	12,000	133	0.003
20,000 to 25,000	50	0.8	42,000	<0.1	840	1,145,000	22,900	5,000	100	0.002
25,000 to 30,000	50	0.8	42,000	<0.1	840	1,485,000	29,700	12,000	240	0.002
30,000 to 40,000	130	2.1	103,000	<0.1	792	4,434,000	34,108	35,000	269	0.004
40,000 to 50,000	150	2.4	171,000	0.1	1,140	6,585,000	43,900	92,000	613	0.005
50,000 to 60,000	120	1.9	166,000	0.1	1,383	6,782,000	56,517	119,000	992	0.004
60,000 to 70,000	110	1.8	166,000	0.1	1,509	6,973,000	63,391	138,000	1,255	0.004
70,000 to 80,000	110	1.8	156,000	0.1	1,418	8,468,000	76,982	240,000	2,182	0.004
80,000 to 90,000	120	1.9	236,000	0.1	1,967	10,055,000	83,792	255,000	2,125	0.004
90,000 to 100,000	130	2.1	282,000	0.1	2,169	12,196,000	93,815	312,000	2,400	0.004
100,000 to 125,000	320	5.1	785,000	0.4	2,453	35,996,000	112,488	1,026,000	3,206	0.010
125,000 to 150,000	330	5.3	1,046,000	0.5	3,170	44,952,000	136,218	1,317,000	3,991	0.011
150,000 to 200,000	540	8.7	2,086,000	1.0	3,863	93,637,000	173,402	2,860,000	5,296	0.018
200,000 to 250,000	420	6.7	2,253,000	1.1	5,364	93,854,000	223,462	2,784,000	6,629	0.014
250,000 to 300,000	340	5.4	2,633,000	1.3	7,744	94,061,000	276,650	2,546,000	7,488	0.011
300,000 to 500,000	810	13.0	9,575,000	4.6	11,821	317,499,000	391,974	8,993,000	11,102	0.026
500,000 to 1,000,000	840	13.5	19,751,000	9.4	23,513	585,866,000	697,460	17,265,000	20,554	0.027
1,000,000 to 2,000,000	650	10.4	36,908,000	17.6	56,782	905,312,000	1,392,788	22,737,000	34,980	0.021
2,000,000 to 3,000,000	190	3.0	20,075,000	9.6	105,658	457,555,000	2,408,184	11,132,000	58,589	0.006
3,000,000 to 4,000,000	100	1.6	14,876,000	7.1	148,760	328,736,000	3,287,360	7,582,000	75,820	0.003
4,000,000 to 5,000,000	70	1.1	13,066,000	6.2	186,657	303,455,000	4,335,071	6,488,000	92,686	0.002
5,000,000 to 10,000,000	90	1.4	23,824,000	11.4	264,711	580,540,000	6,450,444	13,719,000	152,433	0.003
10,000,000 to 15,000,000	20	0.3	8,701,000	4.2	435,050	175,257,000	8,762,850	3,034,000	151,700	0.001
15,000,000 to 30,000,000	20	0.3	22,114,000	10.6	1,105,700	459,362,000	22,968,100	8,228,000	411,400	0.001
30,000,000 and over	<u>10</u>	<u>0.2</u>	<u>30,209,000</u>	<u>14.4</u>	<u>3,020,900</u>	<u>1,731,311,000</u>	<u>173,131,100</u>	<u>55,127,000</u>	<u>5,512,700</u>	<u><0.001</u>
Total	6,240	100.0%	\$209,466,000	100.0%	\$33,568	\$6,269,397,000	\$1,004,711	\$166,071,000	\$26,614	0.204%

Source: Department of Revenue Aggregate Statistics.

- Individual claimants having income of less than \$1.0 million represented 81.6% of all individual filers that used the manufacturing portion of the MAC in tax year 2017. They used \$39.7 million, representing 18.9% of the amount used, at an average claim of \$7,798. The net tax of those claimants was \$38.0 million, and the average net tax owed was \$7,470.

- Individual claimants having income of \$1.0 million or more represented 18.4% of all individual filers that used the manufacturing portion of the MAC in tax year 2017. They used \$169.8 million, representing 81.1% of the amount used, at an average claim of \$147,629. The net tax of those claimants was \$128.0 million, and the average net tax owed was \$111,345.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 6

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2018 (Manufacturing Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Manufacturing MAC	Percent of Amount	Average Manufacturing MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	210	3.2%	\$63,000	<0.1%	\$300	\$485,000	\$2,310	\$4,000	\$19	0.007%
5,000 to 10,000	130	2.0	52,000	<0.1	400	914,000	7,031	9,000	69	0.004
10,000 to 15,000	90	1.4	57,000	<0.1	633	1,050,000	11,667	7,000	78	0.003
15,000 to 20,000	100	1.5	72,000	<0.1	720	1,654,000	16,540	17,000	170	0.003
20,000 to 25,000	50	0.8	44,000	<0.1	880	1,107,000	22,140	10,000	200	0.002
25,000 to 30,000	50	0.8	44,000	<0.1	880	1,322,000	26,440	10,000	200	0.002
30,000 to 40,000	150	2.3	136,000	0.1	907	5,147,000	34,313	62,000	413	0.005
40,000 to 50,000	130	2.0	129,000	<0.1	992	5,816,000	44,738	82,000	631	0.004
50,000 to 60,000	140	2.1	231,000	0.1	1,650	7,430,000	53,071	97,000	693	0.005
60,000 to 70,000	150	2.3	247,000	0.1	1,647	9,965,000	66,433	200,000	1,333	0.005
70,000 to 80,000	110	1.7	170,000	0.1	1,545	8,307,000	75,518	211,000	1,918	0.004
80,000 to 90,000	120	1.8	207,000	0.1	1,725	10,344,000	86,200	277,000	2,308	0.004
90,000 to 100,000	110	1.7	198,000	0.1	1,800	10,154,000	92,309	288,000	2,618	0.004
100,000 to 125,000	310	4.7	768,000	0.3	2,477	34,284,000	110,594	976,000	3,148	0.010
125,000 to 150,000	310	4.7	979,000	0.4	3,158	43,160,000	139,226	1,294,000	4,174	0.010
150,000 to 200,000	570	8.7	2,117,000	0.8	3,714	99,372,000	174,337	3,107,000	5,451	0.018
200,000 to 250,000	410	6.3	2,170,000	0.8	5,293	91,186,000	222,405	2,695,000	6,573	0.013
250,000 to 300,000	360	5.5	2,597,000	1.0	7,214	97,165,000	269,903	2,758,000	7,661	0.012
300,000 to 500,000	830	12.7	9,452,000	3.6	11,388	322,630,000	388,711	9,105,000	10,970	0.027
500,000 to 1,000,000	910	13.9	22,839,000	8.7	25,098	648,255,000	712,368	18,090,000	19,879	0.029
1,000,000 to 2,000,000	620	9.5	33,850,000	12.9	54,597	859,339,000	1,386,031	22,803,000	36,779	0.020
2,000,000 to 3,000,000	230	3.5	24,198,000	9.2	105,209	555,430,000	2,414,913	13,249,000	57,604	0.007
3,000,000 to 4,000,000	120	1.8	17,961,000	6.8	149,675	396,374,000	3,303,117	8,646,000	72,050	0.004
4,000,000 to 5,000,000	90	1.4	17,063,000	6.5	189,589	405,415,000	4,504,611	9,883,000	109,811	0.003
5,000,000 to 10,000,000	140	2.1	39,438,000	15.0	281,700	941,966,000	6,728,329	25,096,000	179,257	0.005
10,000,000 to 15,000,000	40	0.6	16,746,000	6.4	418,650	451,083,000	11,277,075	14,309,000	357,725	0.001
15,000,000 to 30,000,000	40	0.6	28,122,000	10.7	703,050	826,693,000	20,667,325	26,604,000	665,100	0.001
30,000,000 and over	<u>20</u>	<u>0.3</u>	<u>43,465,000</u>	<u>16.5</u>	<u>2,173,250</u>	<u>2,222,778,000</u>	<u>111,138,900</u>	<u>66,565,000</u>	<u>3,328,250</u>	<u><0.001</u>
Total	6,540	100.0%	\$263,415,000	100.0%	\$40,278	\$8,058,825,000	\$1,232,236	\$226,454,000	\$34,626	0.212%

Source: Department of Revenue Aggregate Statistics.

- Individual claimants having income of less than \$1.0 million represented 80.1% of all individual filers that used the manufacturing portion of the MAC in tax year 2018. They used \$42.6 million, representing 16.2% of the amount used, at an average claim of \$8,124. The net tax of those claimants was \$39.3 million, and the average net tax owed was \$7,500.

- Individual claimants having income of \$1.0 million or more represented 19.9% of all individual filers that used the manufacturing portion of the MAC in tax year 2018. They used \$220.8 million, representing 83.8% of the amount used, at an average claim of \$169,879. The net tax of those claimants was \$187.2 million, and the average net tax owed was \$143,965.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 7

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2019 (Manufacturing Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Manufacturing MAC	Percent of Amount	Average Manufacturing MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	280	4.5%	\$32,000	<0.1%	\$114	\$644,000	\$2,300	\$1,000	\$4	0.009%
5,000 to 10,000	100	1.6	34,000	<0.1	340	755,000	7,550	4,000	40	0.003
10,000 to 15,000	70	1.1	40,000	<0.1	571	881,000	12,586	3,000	43	0.002
15,000 to 20,000	50	0.8	31,000	<0.1	620	896,000	17,920	11,000	220	0.002
20,000 to 25,000	50	0.8	28,000	<0.1	560	1,083,000	21,660	11,000	220	0.002
25,000 to 30,000	40	0.6	30,000	<0.1	750	1,165,000	29,125	7,000	175	0.001
30,000 to 40,000	130	2.1	107,000	<0.1	823	4,733,000	36,408	45,000	346	0.004
40,000 to 50,000	140	2.2	165,000	0.1	1,179	6,398,000	45,700	83,000	593	0.004
50,000 to 60,000	110	1.8	128,000	0.1	1,164	5,963,000	54,209	101,000	918	0.004
60,000 to 70,000	120	1.9	184,000	0.1	1,533	7,535,000	62,792	137,000	1,142	0.004
70,000 to 80,000	140	2.2	238,000	0.1	1,700	10,132,000	72,371	225,000	1,607	0.004
80,000 to 90,000	130	2.1	256,000	0.1	1,969	11,139,000	85,685	257,000	1,977	0.004
90,000 to 100,000	100	1.6	181,000	0.1	1,810	9,317,000	93,170	253,000	2,530	0.003
100,000 to 125,000	260	4.2	591,000	0.2	2,273	28,834,000	110,900	849,000	3,265	0.008
125,000 to 150,000	320	5.1	919,000	0.4	2,872	43,618,000	136,306	1,296,000	4,050	0.010
150,000 to 200,000	530	8.5	1,816,000	0.7	3,426	92,527,000	174,579	2,898,000	5,468	0.017
200,000 to 250,000	420	6.7	2,159,000	0.9	5,140	93,521,000	222,669	2,819,000	6,712	0.013
250,000 to 300,000	310	5.0	2,008,000	0.8	6,477	83,882,000	270,587	2,539,000	8,190	0.010
300,000 to 500,000	840	13.5	9,299,000	3.8	11,070	327,654,000	390,064	9,324,000	11,100	0.027
500,000 to 1,000,000	900	14.4	21,603,000	8.8	24,003	638,886,000	709,873	17,916,000	19,907	0.029
1,000,000 to 2,000,000	590	9.5	33,456,000	13.6	56,705	824,530,000	1,397,508	20,635,000	34,975	0.019
2,000,000 to 3,000,000	220	3.5	22,359,000	9.1	101,632	516,697,000	2,348,623	12,820,000	58,273	0.007
3,000,000 to 4,000,000	120	1.9	17,711,000	7.2	147,592	411,267,000	3,427,225	9,533,000	79,442	0.004
4,000,000 to 5,000,000	70	1.1	13,732,000	5.6	196,171	291,569,000	4,165,271	6,117,000	87,386	0.002
5,000,000 to 10,000,000	100	1.6	27,122,000	11.0	271,220	651,972,000	6,519,720	16,899,000	168,990	0.003
10,000,000 to 15,000,000	30	0.5	16,230,000	6.6	541,000	424,550,000	14,151,667	12,138,000	404,600	0.001
15,000,000 to 30,000,000	40	0.6	26,379,000	10.7	659,475	918,006,000	22,950,150	31,980,000	799,500	0.001
30,000,000 and over	<u>20</u>	<u>0.3</u>	<u>48,964,000</u>	<u>19.9</u>	<u>2,448,200</u>	<u>2,249,908,000</u>	<u>112,495,400</u>	<u>60,622,000</u>	<u>3,031,100</u>	<u>0.001</u>
Total	6,230	100.0%	\$245,802,000	100.0%	\$39,455	\$7,658,062,000	\$1,229,223	\$209,523,000	\$33,631	0.199%

Source: Department of Revenue Aggregate Statistics. Based on preliminary tax year 2019 data.

- Individual claimants having income of less than \$1.0 million represented 80.9% of all individual filers that used the manufacturing portion of the MAC in tax year 2019. They used \$39.8 million, representing 16.2% of the amount used, at an average claim of \$7,907. The net tax of those claimants was \$38.8 million, and the average net tax owed was \$7,694.

- Individual claimants having income of \$1.0 million or more represented 19.1% of all individual filers that used the manufacturing portion of the MAC in tax year 2019. They used \$206.0 million, representing 83.8% of the amount used, at an average claim of \$173,070. The net tax of those claimants was \$170.7 million, and the average net tax owed was \$143,482.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 8

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2013* (Agricultural Claimants Only)

<u>Wisconsin Adjusted Gross Income</u>	<u>Count</u>	<u>Percent of Count</u>	<u>Total Agriculture MAC</u>	<u>Percent of Amount</u>	<u>Average Agriculture MAC</u>	<u>Total Wisconsin AGI</u>	<u>Average Wisconsin AGI</u>	<u>Total Net Tax</u>	<u>Average Net Tax</u>	<u>Claimants as a Share of All Filers</u>
Under \$5,000	--	--	--	--	--	--	--	--	--	--
5,000 to 10,000	20	0.3%	\$8,000	0.1%	\$400	\$145,000	\$7,250	\$4,000	\$200	0.001%
10,000 to 15,000	70	1.0	7,000	0.1	100	970,000	13,857	3,000	43	0.002
15,000 to 20,000	120	1.8	25,000	0.2	208	2,009,000	16,742	\$5,000	42	0.004
20,000 to 25,000	190	2.8	41,000	0.4	216	4,197,000	22,089	14,000	74	0.006
25,000 to 30,000	290	4.3	77,000	0.7	266	8,106,000	27,952	23,000	79	0.010
30,000 to 40,000	640	9.5	284,000	2.7	444	22,230,000	34,734	115,000	180	0.021
40,000 to 50,000	620	9.2	337,000	3.2	544	27,954,000	45,087	280,000	452	0.021
50,000 to 60,000	590	8.8	406,000	3.8	688	32,369,000	54,863	473,000	802	0.020
60,000 to 70,000	520	7.7	411,000	3.8	790	33,475,000	64,375	588,000	1,131	0.017
70,000 to 80,000	440	6.5	346,000	3.2	786	33,143,000	75,325	703,000	1,598	0.015
80,000 to 90,000	430	6.4	406,000	3.8	944	36,283,000	84,379	813,000	1,891	0.014
90,000 to 100,000	360	5.4	377,000	3.5	1,047	33,949,000	94,303	821,000	2,281	0.012
100,000 to 125,000	620	9.2	749,000	7.0	1,208	68,870,000	111,081	1,802,000	2,906	0.021
125,000 to 150,000	410	6.1	613,000	5.7	1,495	55,762,000	136,005	1,836,000	4,478	0.014
150,000 to 200,000	460	6.8	867,000	8.1	1,885	78,936,000	171,600	2,601,000	5,654	0.015
200,000 to 250,000	250	3.7	642,000	6.0	2,568	55,464,000	221,856	2,044,000	8,176	0.008
250,000 to 300,000	170	2.5	515,000	4.8	3,029	45,140,000	265,529	1,931,000	11,359	0.006
300,000 to 500,000	290	4.3	1,248,000	11.7	4,303	111,069,000	382,997	5,408,000	18,648	0.010
500,000 to 1,000,000	150	2.2	1,169,000	10.9	7,793	100,802,000	672,013	5,574,000	37,160	0.005
1,000,000 to 2,000,000	60	0.9	887,000	8.3	14,783	77,969,000	1,299,483	4,710,000	78,500	0.002
2,000,000 to 3,000,000	10	0.1	260,000	2.4	26,000	31,777,000	3,177,700	1,855,000	185,500	<0.001
3,000,000 to 4,000,000	10	0.1	323,000	3.0	32,300	34,491,100	3,449,100	1,953,000	195,300	<0.001
4,000,000 to 5,000,000	10	0.1	337,000	3.1	33,700	30,923,000	3,092,300	1,796,000	179,600	<0.001
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	6,720	100.0%	\$10,713,000	100.0%	\$1,594	\$964,003,000	\$143,453	\$37,945,000	\$5,647	0.224%

*MAC percentage was 1.875% in tax year 2013.

Source: Department of Revenue Aggregate Statistics.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 63.8% of all individual filers that used the agriculture portion of the MAC in tax year 2013. They used \$2.8 million, representing 26.6% of the amount used at an average claim of \$640. The net tax of those claimants was \$3.8 million, and the average net tax owed was \$893.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more represented 36.2% of all individual filers that used the agriculture portion of the MAC in tax year 2013. They used \$7.6 million, representing 73.4% of the amount used, at an average claim of \$3,119. The net tax of those claimants was \$31.5 million, and the average net tax owed was \$12,914.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 9

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2014* (Agricultural Claimants Only)

Wisconsin Adjusted <u>Gross Income</u>	<u>Count</u>	<u>Percent of Count</u>	Total Agriculture <u>MAC</u>	<u>Percent of Amount</u>	Average Agriculture <u>MAC</u>	Total Wisconsin <u>AGI</u>	Average Wisconsin <u>AGI</u>	Total <u>Net Tax</u>	Average <u>Net Tax</u>	Claimants as a Share <u>of All Filers</u>
Under \$5,000	--	--	--	--	--	--	--	--	--	--
5,000 to 10,000	--	--	--	--	--	--	--	--	--	--
10,000 to 15,000	50	1.0%	\$3,000	<0.1%	\$60	\$671,000	\$13,420	\$1,000	\$20	0.002%
15,000 to 20,000	100	2.0	22,000	0.2	220	1,692,000	16,920	2,000	20	0.003
20,000 to 25,000	110	2.2	34,000	0.2	309	2,579,000	23,445	5,000	45	0.004
25,000 to 30,000	170	3.3	58,000	0.4	341	4,646,000	27,329	15,000	88	0.006
30,000 to 40,000	510	10.0	247,000	1.8	484	17,947,000	35,190	99,000	194	0.017
40,000 to 50,000	520	10.2	416,000	3.0	800	23,382,000	44,965	218,000	419	0.017
50,000 to 60,000	510	10.0	550,000	3.9	1,078	28,251,000	55,394	356,000	698	0.017
60,000 to 70,000	460	9.0	621,000	4.4	1,350	29,795,000	64,772	486,000	1,057	0.015
70,000 to 80,000	420	8.3	673,000	4.8	1,602	31,797,000	75,707	602,000	1,433	0.014
80,000 to 90,000	330	6.5	565,000	4.0	1,712	27,965,000	84,742	620,000	1,879	0.011
90,000 to 100,000	290	5.7	571,000	4.1	1,969	27,672,000	95,421	675,000	2,328	0.010
100,000 to 125,000	510	10.0	1,296,000	9.3	2,541	56,681,000	111,139	1,427,000	2,798	0.017
125,000 to 150,000	270	5.3	776,000	5.5	2,874	36,107,000	133,730	1,019,000	3,774	0.009
150,000 to 200,000	270	5.3	1,108,000	7.9	4,104	47,084,000	174,385	1,274,000	4,719	0.009
200,000 to 250,000	160	3.1	835,000	6.0	5,219	35,178,000	219,863	1,039,000	6,494	0.005
250,000 to 300,000	80	1.6	605,000	4.3	7,563	22,861,000	285,763	690,000	8,625	0.003
300,000 to 500,000	150	2.9	1,325,000	9.5	8,833	56,605,000	377,367	2,092,000	13,947	0.005
500,000 to 1,000,000	90	1.8	1,559,000	11.1	17,322	59,434,000	660,378	2,317,000	25,744	0.003
1,000,000 to 2,000,000	50	1.0	1,191,000	8.5	23,820	69,541,000	1,390,820	3,237,000	64,740	0.002
2,000,000 to 3,000,000	10	0.2	566,000	4.0	56,600	25,388,000	2,538,800	1,085,000	108,500	<0.001
3,000,000 to 4,000,000	10	0.2	732,000	5.2	73,200	34,095,000	3,409,500	1,648,000	164,800	<0.001
4,000,000 to 5,000,000	--	--	--	--	--	--	--	--	--	--
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	5,090	100.0%	\$14,003,000	100.0%	\$2,751	\$675,971,000	\$132,804	\$21,302,000	\$4,185	0.170%

*MAC percentage was 3.75% in tax year 2014.

Source: Department of Revenue Aggregate Statistics.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 68.5% of all individual filers that used the agriculture portion of the MAC in tax year 2014. They used \$3.8 million, representing 27.4% of the amount used, at an average claim of \$1,081. The net tax of those claimants was \$3.1 million, and the average net tax owed was \$885.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more used representing 31.5% of all individual filers that used the agriculture portion of the MAC in tax year 2014. They used \$10.0 million, representing 72.6% of the amount used, at an average claim of \$6,246. The net tax of those claimants was \$15.8 million, and the average net tax owed was \$9,893.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 10

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2015* (Agricultural Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Agriculture MAC	Percent of Amount	Average Agriculture MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	10	0.2%	\$7,000	<0.1%	\$700	\$2,000	\$200	\$2,000	\$200	<0.001%
5,000 to 10,000	10	0.2	2,000	<0.1	200	81,000	8,100	1,000	100	<0.001
10,000 to 15,000	50	1.1	4,000	<0.1	80	610,000	12,200	2,000	40	0.002
15,000 to 20,000	80	1.8	14,000	0.1	175	1,421,000	17,763	4,000	50	0.003
20,000 to 25,000	100	2.2	23,000	0.2	230	2,187,000	21,870	7,000	70	0.003
25,000 to 30,000	190	4.2	53,000	0.4	279	5,103,000	26,858	13,000	68	0.006
30,000 to 40,000	470	10.5	226,000	1.6	481	16,688,000	35,506	92,000	196	0.015
40,000 to 50,000	500	11.2	406,000	2.9	812	22,429,000	44,858	185,000	370	0.016
50,000 to 60,000	480	10.7	543,000	3.9	1,131	26,281,000	54,752	336,000	700	0.016
60,000 to 70,000	380	8.5	531,000	3.8	1,397	24,798,000	65,258	397,000	1,045	0.013
70,000 to 80,000	340	7.6	573,000	4.1	1,685	25,204,000	74,129	477,000	1,403	0.011
80,000 to 90,000	280	6.3	579,000	4.1	2,068	23,550,000	84,107	448,000	1,600	0.009
90,000 to 100,000	240	5.4	522,000	3.7	2,175	23,022,000	95,925	534,000	2,225	0.008
100,000 to 125,000	420	9.4	1,176,000	8.3	2,800	46,564,000	110,867	1,090,000	2,595	0.014
125,000 to 150,000	260	5.8	819,000	5.8	3,150	34,783,000	133,781	920,000	3,538	0.009
150,000 to 200,000	230	5.1	1,052,000	7.5	4,574	39,442,000	171,487	1,027,000	4,465	0.008
200,000 to 250,000	120	2.7	677,000	4.8	5,642	25,845,000	215,375	732,000	6,100	0.004
250,000 to 300,000	80	1.8	581,000	4.1	7,263	20,472,000	255,900	562,000	7,025	0.003
300,000 to 500,000	130	2.9	1,407,000	10.0	10,823	49,303,000	379,254	1,480,000	11,385	0.004
500,000 to 1,000,000	80	1.8	1,333,000	9.5	16,663	52,411,000	655,138	2,040,000	25,500	0.003
1,000,000 to 2,000,000	30	0.7	1,109,000	7.9	36,967	38,412,000	1,280,400	1,296,000	43,200	0.001
2,000,000 to 3,000,000	10	0.2	914,000	6.5	91,400	30,708,000	3,070,800	899,000	89,900	<0.001
3,000,000 to 4,000,000	--	--	--	--	--	--	--	--	--	--
4,000,000 to 5,000,000	10	0.2	306,000	2.2	30,600	27,019,000	2,701,900	1,349,000	134,900	<0.001
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	4,480	100.0%	\$14,094,000	100.0%	\$3,146	\$568,871,000	\$126,980	\$15,041,000	\$3,357	0.148%

*MAC percentage was 5.025% in tax year 2015.

Source: Department of Revenue Aggregate Statistics.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 69.6% of all individual filers that used the agriculture portion of the MAC in tax year 2015. They used \$3.5 million, representing 27.1% of the amount used, at an average claim of \$1,113. The net tax of those claimants was \$2.5 million, and the average net tax owed was \$798.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more represented 30.4% of all individual filers that used the agriculture portion of the MAC in tax year 2015. They used \$9.4 million, representing 72.9% of the amount used, at an average claim of \$6,842. The net tax of those claimants was \$11.4 million, and the average net tax owed was \$8,318.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 11

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2016 (Agricultural Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Agriculture MAC	Percent of Amount	Average Agriculture MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	--	--	--	--	--	--	--	--	--	--
5,000 to 10,000	--	--	--	--	--	--	--	--	--	--
10,000 to 15,000	70	1.5%	\$7,000	<0.1%	\$100	\$906,000	\$12,943	\$2,000	\$29	0.002%
15,000 to 20,000	90	1.9	18,000	0.1	200	1,575,000	17,500	2,000	22	0.003
20,000 to 25,000	130	2.8	42,000	0.3	323	3,010,000	23,154	7,000	54	0.004
25,000 to 30,000	210	4.5	66,000	0.5	314	5,930,000	28,238	14,000	67	0.007
30,000 to 40,000	540	11.6	269,000	2.0	498	18,957,000	35,106	59,000	109	0.018
40,000 to 50,000	570	12.3	481,000	3.4	844	25,679,000	45,051	150,000	263	0.019
50,000 to 60,000	490	10.6	610,000	4.3	1,245	26,576,000	54,237	278,000	567	0.016
60,000 to 70,000	440	9.5	696,000	4.9	1,582	28,604,000	65,009	374,000	850	0.014
70,000 to 80,000	370	8.0	722,000	5.1	1,951	27,972,000	75,600	439,000	1,186	0.012
80,000 to 90,000	270	5.8	613,000	4.4	2,270	23,085,000	85,500	422,000	1,563	0.009
90,000 to 100,000	240	5.2	582,000	4.1	2,425	22,408,000	93,367	461,000	1,921	0.008
100,000 to 125,000	380	8.2	1,213,000	8.6	3,192	42,639,000	112,208	912,000	2,400	0.012
125,000 to 150,000	230	5.0	898,000	6.4	3,904	31,647,000	137,596	748,000	3,252	0.008
150,000 to 200,000	220	4.7	937,000	6.7	4,259	37,185,000	169,023	1,017,000	4,623	0.007
200,000 to 250,000	110	2.4	749,000	5.3	6,809	25,220,000	229,273	587,000	5,336	0.004
250,000 to 300,000	50	1.1	434,000	3.1	8,680	14,335,000	286,700	376,000	7,520	0.002
300,000 to 500,000	100	2.2	1,218,000	8.7	12,180	36,434,000	364,340	1,012,000	10,120	0.003
500,000 to 1,000,000	70	1.5	1,576,000	11.2	22,514	46,650,000	666,429	1,479,000	21,129	0.002
1,000,000 to 2,000,000	20	0.4	1,157,000	8.2	57,850	32,794,000	1,639,700	835,000	41,750	0.001
2,000,000 to 3,000,000	10	0.2	742,000	5.3	74,200	18,427,000	1,842,700	285,000	28,500	<0.001
3,000,000 to 4,000,000	--	--	--	--	--	--	--	--	--	--
4,000,000 to 5,000,000	--	--	--	--	--	--	--	--	--	--
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	4,640	100.0%	\$14,092,000	100.0%	\$3,037	\$528,068,000	\$113,808	\$12,255,000	\$2,641	0.153%

Source: Department of Revenue Aggregate Statistics.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 74.4% of all individual filers that used the agriculture portion of the MAC in tax year 2016. They used \$4.1 million, representing 31.7% of the amount used, at an average claim of \$1,198. The net tax of those claimants was \$2.2 million, and the average net tax owed was \$640.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more represented 25.6% of all individual filers that used the agriculture portion of the MAC in tax year 2016. They used \$8.9 million, representing 68.3% of the amount used, at an average claim of \$7,499. The net tax of those claimants was \$7.3 million, and the average net tax owed was \$6,093.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 12

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2017 (Agricultural Claimants Only)

<u>Wisconsin Adjusted Gross Income</u>	<u>Count</u>	<u>Percent of Count</u>	<u>Total Agriculture MAC</u>	<u>Percent of Amount</u>	<u>Average Agriculture MAC</u>	<u>Total Wisconsin AGI</u>	<u>Average Wisconsin AGI</u>	<u>Total Net Tax</u>	<u>Average Net Tax</u>	<u>Claimants as a Share of All Filers</u>
Under \$5,000	--	--	--	--	--	--	--	--	--	--
5,000 to 10,000	--	--	--	--	--	--	--	--	--	--
10,000 to 15,000	60	1.3%	\$5,000	<0.1%	\$83	\$811,000	\$13,517	\$1,000	\$17	0.002%
15,000 to 20,000	90	1.9	19,000	0.1	211	1,607,000	17,856	3,000	33	0.003
20,000 to 25,000	120	2.6	40,000	0.3	333	2,763,000	23,025	5,000	42	0.004
25,000 to 30,000	230	4.9	69,000	0.5	300	6,439,000	27,996	18,000	78	0.008
30,000 to 40,000	550	11.8	264,000	1.9	480	19,473,000	35,405	63,000	115	0.018
40,000 to 50,000	510	10.9	450,000	3.3	882	23,021,000	45,139	117,000	229	0.017
50,000 to 60,000	480	10.3	586,000	4.3	1,221	26,378,000	54,954	272,000	567	0.016
60,000 to 70,000	440	9.4	688,000	5.0	1,564	28,498,000	64,768	363,000	825	0.014
70,000 to 80,000	360	7.7	707,000	5.1	1,964	27,190,000	75,528	406,000	1,128	0.012
80,000 to 90,000	310	6.7	701,000	5.1	2,261	26,468,000	85,381	461,000	1,487	0.010
90,000 to 100,000	240	5.2	594,000	4.3	2,475	22,616,000	94,233	435,000	1,813	0.008
100,000 to 125,000	400	8.6	1,258,000	9.2	3,145	44,529,000	111,323	934,000	2,335	0.013
125,000 to 150,000	200	4.3	765,000	5.6	3,825	26,640,000	133,200	612,000	3,060	0.007
150,000 to 200,000	250	5.4	1,245,000	9.1	4,980	43,166,000	172,664	1,019,000	4,076	0.008
200,000 to 250,000	110	2.4	778,000	5.7	7,073	25,391,000	230,827	620,000	5,636	0.004
250,000 to 300,000	60	1.3	481,000	3.5	8,017	15,757,000	262,617	404,000	6,733	0.002
300,000 to 500,000	100	2.1	1,145,000	8.3	11,450	38,083,000	380,830	1,076,000	10,760	0.003
500,000 to 1,000,000	60	1.3	1,423,000	10.4	23,717	42,350,000	705,833	1,363,000	22,717	0.002
1,000,000 to 2,000,000	30	0.6	1,462,000	10.6	48,733	43,219,000	1,440,633	1,184,000	39,467	0.001
2,000,000 to 3,000,000	10	0.2	526,000	3.8	52,600	17,739,000	1,773,900	592,000	59,200	<0.001
3,000,000 to 4,000,000	--	--	--	--	--	--	--	--	--	--
4,000,000 to 5,000,000	--	--	--	--	--	--	--	--	--	--
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	4,660	100.0%	\$13,746,000	100.0%	\$2,950	\$630,080,000	\$135,210	\$16,327,000	\$3,504	0.152%

Source: Department of Revenue Aggregate Statistics.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 73.7% of all individual filers that used the agriculture portion of the MAC in tax year 2017. They used \$4.1 million, representing 31.2% of the amount used, at an average claim of \$1,210. The net tax of those claimants was \$2.1 million, and the average net tax owed was \$629.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more represented 26.3% of all individual filers that used the agriculture portion of the MAC in tax year 2017. They used \$9.1 million, representing 68.8% of the amount used, at an average claim of \$7,445. The net tax of those claimants was \$7.8 million, and the average net tax owed was \$6,397.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 13

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2018 (Agricultural Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Agriculture MAC	Percent of Amount	Average Agriculture MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	--	--	--	--	--	--	--	--	--	--
5,000 to 10,000	--	--	--	--	--	--	--	--	--	--
10,000 to 15,000	50	1.2%	\$4,000	<0.1%	\$80	\$716,000	\$14,320	\$0	\$0	0.002%
15,000 to 20,000	90	2.1	15,000	0.1	167	1,496,000	16,622	2,000	22	0.003
20,000 to 25,000	100	2.4	33,000	0.3	330	2,329,000	23,290	5,000	50	0.003
25,000 to 30,000	190	4.5	61,000	0.5	321	5,253,000	27,647	14,000	74	0.006
30,000 to 40,000	480	11.3	229,000	2.0	477	16,754,000	34,904	55,000	115	0.016
40,000 to 50,000	460	10.8	400,000	3.6	870	20,687,000	44,972	111,000	241	0.015
50,000 to 60,000	460	10.8	559,000	5.0	1,215	25,192,000	54,765	248,000	539	0.015
60,000 to 70,000	400	9.4	641,000	5.7	1,603	25,833,000	64,583	319,000	798	0.013
70,000 to 80,000	340	8.0	607,000	5.4	1,785	25,306,000	74,429	432,000	1,271	0.011
80,000 to 90,000	250	5.9	493,000	4.4	1,972	21,178,000	84,712	457,000	1,828	0.008
90,000 to 100,000	220	5.2	513,000	4.6	2,332	20,564,000	93,473	439,000	1,995	0.007
100,000 to 125,000	400	9.4	1,165,000	10.4	2,913	44,958,000	112,395	1,039,000	2,598	0.013
125,000 to 150,000	230	5.4	780,000	7.0	3,391	32,041,000	139,309	863,000	3,752	0.007
150,000 to 200,000	200	4.7	849,000	7.6	4,245	34,578,000	172,890	997,000	4,985	0.006
200,000 to 250,000	100	2.4	626,000	5.6	6,260	21,839,000	218,390	607,000	6,070	0.003
250,000 to 300,000	60	1.4	425,000	3.8	7,083	16,466,000	274,433	472,000	7,867	0.002
300,000 to 500,000	100	2.4	1,295,000	11.6	12,950	38,860,000	388,600	1,014,000	10,140	0.003
500,000 to 1,000,000	50	1.2	983,000	8.8	19,660	35,578,000	711,560	1,310,000	26,200	0.002
1,000,000 to 2,000,000	30	0.7	892,000	8.0	29,733	36,395,000	1,213,167	1,235,000	41,167	0.001
2,000,000 to 3,000,000	10	0.2	465,000	4.1	46,500	21,249,000	2,124,900	764,000	76,400	<0.001
3,000,000 to 4,000,000	--	--	--	--	--	--	--	--	--	--
4,000,000 to 5,000,000	--	--	--	--	--	--	--	--	--	--
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	4,240	100.0%	\$11,211,000	100.0%	\$2,644	\$589,124,000	\$138,944	\$14,891,000	\$3,512	0.137%

Source: Department of Revenue Aggregate Statistics.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 72.0% of all individual filers that used the agriculture portion of the MAC in tax year 2018. They used \$3.6 million, representing 32.2% of the amount used, at an average claim of \$1,170. The net tax of those claimants was \$2.1 million, and the average net tax owed was \$683.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more represented 28.0% of all individual filers that used the agriculture portion of the MAC in tax year 2018. They used \$7.5 million, representing 67.8% of the amount used, at an average claim of \$6,339. The net tax of those claimants was \$8.3 million, and the average net tax owed was \$7,035.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 14

Distribution of Claimed and Used MAC, Wisconsin AGI, and Net Tax Under the Individual Income Tax for Tax Year 2019 (Agricultural Claimants Only)

Wisconsin Adjusted Gross Income	Count	Percent of Count	Total Agriculture MAC	Percent of Amount	Average Agriculture MAC	Total Wisconsin AGI	Average Wisconsin AGI	Total Net Tax	Average Net Tax	Claimants as a Share of All Filers
Under \$5,000	--	--	--	--	--	--	--	--	--	--
5,000 to 10,000	--	--	--	--	--	--	--	--	--	--
10,000 to 15,000	--	--	--	--	--	--	--	--	--	--
15,000 to 20,000	70	1.5%	\$12,000	0.1%	\$171	\$1,186,000	\$16,943	\$2,000	\$29	0.002%
20,000 to 25,000	100	2.2	25,000	0.2	250	2,172,000	21,720	5,000	50	0.003
25,000 to 30,000	180	4.0	54,000	0.4	300	4,833,000	26,850	10,000	56	0.006
30,000 to 40,000	440	9.7	201,000	1.5	457	15,483,000	35,189	48,000	109	0.014
40,000 to 50,000	480	10.6	366,000	2.7	763	21,425,000	44,635	117,000	244	0.015
50,000 to 60,000	440	9.7	528,000	3.9	1,200	24,226,000	55,059	180,000	409	0.014
60,000 to 70,000	390	8.6	593,000	4.3	1,521	25,082,000	64,313	286,000	733	0.012
70,000 to 80,000	340	7.5	634,000	4.6	1,865	25,598,000	75,288	377,000	1,109	0.011
80,000 to 90,000	290	6.4	627,000	4.6	2,162	24,506,000	84,503	401,000	1,383	0.009
90,000 to 100,000	240	5.3	582,000	4.2	2,425	22,636,000	94,317	425,000	1,771	0.008
100,000 to 125,000	490	10.8	1,337,000	9.8	2,729	54,990,000	112,224	1,268,000	2,588	0.016
125,000 to 150,000	260	5.7	947,000	6.9	3,642	35,093,000	134,973	837,000	3,219	0.008
150,000 to 200,000	290	6.4	1,417,000	10.3	4,886	50,182,000	173,041	1,193,000	4,114	0.009
200,000 to 250,000	150	3.3	928,000	6.8	6,187	33,119,000	220,793	886,000	5,907	0.005
250,000 to 300,000	80	1.8	588,000	4.3	7,350	21,203,000	265,038	582,000	7,275	0.003
300,000 to 500,000	140	3.1	1,451,000	10.6	10,364	52,815,000	377,250	1,488,000	10,629	0.004
500,000 to 1,000,000	60	1.3	1,392,000	10.2	23,200	40,764,000	679,400	1,236,000	20,600	0.002
1,000,000 to 2,000,000	30	0.7	1,162,000	8.5	38,733	41,975,000	1,399,167	1,376,000	45,867	0.001
2,000,000 to 3,000,000	--	--	--	--	--	--	--	--	--	--
3,000,000 to 4,000,000	10	0.2	183,000	1.3	18,300	39,198,000	3,919,800	1,270,000	127,000	<0.001
4,000,000 to 5,000,000	--	--	--	--	--	--	--	--	--	--
5,000,000 to 10,000,000	--	--	--	--	--	--	--	--	--	--
10,000,000 to 15,000,000	--	--	--	--	--	--	--	--	--	--
15,000,000 to 30,000,000	--	--	--	--	--	--	--	--	--	--
30,000,000 and over	--	--	--	--	--	--	--	--	--	--
Total	4,530	100.0%	\$13,697,000	100.0%	\$3,024	\$666,645,000	\$147,162	\$13,693,000	\$3,023	0.143%

Source: Department of Revenue Aggregate Statistics. Based on preliminary tax year 2019 data.

- Based on data that is not suppressed, individual claimants having income of less than \$100,000 represented 66.3% of all individual filers that used the agriculture portion of the MAC in tax year 2019. They used \$3.6 million, representing 27.8% of the amount used, at an average claim of \$1,220. The net tax of those claimants was \$1.9 million, and the average net tax owed was \$623.

- Based on data that is not suppressed, individual claimants having income of \$100,000 or more represented 33.7% of all individual filers that used the agriculture portion of the MAC in tax year 2019. They used \$9.4 million, representing 72.2% of the amount used, at an average claim of \$6,228. The net tax of those claimants was \$10.1 million, and the average net tax owed was \$6,713.

- To protect taxpayer confidentiality, counts have been rounded to the nearest 10 and some data (denoted with "--") has been suppressed. All amounts have been rounded to the nearest \$1,000.

ATTACHMENT 15

Corporate MAC Claimant Tax Liability by Income Class (Tax Years 2013 through 2016)

Tax Year 2013*

Wisconsin Net Income	Number of Returns	% of Returns	Total WI Income	Manufacturing Credit Used	Agriculture Credit Used	Liability After MAC	Net Tax Liability
Zero to \$10,000	21	3.4%	\$94,107	\$2,009	\$1,090	\$4,336	\$4,071
10,001 to 25,000	41	6.7	690,907	17,209	3,706	33,669	33,076
25,001 to 50,000	64	10.5	2,408,331	26,378	17,694	146,186	138,892
50,001 to 100,000	83	13.6	6,150,569	78,794	41,826	365,274	339,715
100,001 to 250,000	117	19.1	18,702,255	198,063	124,476	1,154,944	1,052,735
250,001 to 500,000	98	16.0	34,554,037	353,406	212,335	2,164,031	1,836,286
500,001 to 1,000,000	60	9.8	42,263,996	729,612	57,196	2,552,045	2,319,726
1,000,001 to 5,000,000	96	15.7	212,029,539	3,168,877	179,113	13,402,348	11,865,076
5,000,001 to 10,000,000	19	3.1	133,117,485	2,351,255	--	8,165,027	7,005,256
Over 10,000,000	<u>13</u>	<u>2.1</u>	<u>450,320,715</u>	<u>8,341,654</u>	<u>--</u>	<u>27,233,682</u>	<u>23,320,359</u>
Total	612	100.0%	\$900,331,941	\$15,267,257	\$637,436	\$55,221,542	\$47,915,192

Tax Year 2014*

Wisconsin Net Income	Number of Returns	% of Returns	Total WI Income	Manufacturing Credit Used	Agriculture Credit Used	Liability After MAC	Net Tax Liability
Zero to \$10,000	52	7.7%	\$210,108	\$7,027	\$2,861	\$6,712	\$6,587
10,001 to 25,000	75	11.1	1,289,845	35,106	21,006	45,787	44,285
25,001 to 50,000	96	14.2	3,559,363	98,540	36,088	146,562	129,026
50,001 to 100,000	83	12.3	5,979,601	162,028	55,025	255,338	232,981
100,001 to 250,000	101	14.9	16,535,782	496,556	140,710	669,062	610,506
250,001 to 500,000	63	9.3	23,220,204	586,801	156,164	1,091,430	916,779
500,001 to 1,000,000	66	9.7	47,951,964	1,585,495	149,798	2,052,915	1,718,853
1,000,001 to 5,000,000	89	13.1	200,910,589	6,273,148	243,121	9,355,672	7,693,987
5,000,001 to 10,000,000	26	3.8	192,522,582	6,666,343	--	8,542,942	5,984,583
More than 10,000,000	<u>26</u>	<u>3.8</u>	<u>589,328,808</u>	<u>18,857,340</u>	<u>429,788</u>	<u>27,269,848</u>	<u>23,904,629</u>
Total	677	100.0%	\$1,081,508,846	\$34,768,385	\$1,234,561	\$49,436,267	\$41,242,216

Tax Year 2015*

Wisconsin Net Income	Number of Returns	% of Returns	Total WI Income	Manufacturing Credit Used	Agriculture Credit Used	Liability After MAC	Net Tax Liability
Zero to \$10,000	57	8.5%	\$269,130	\$11,418	\$3,374	\$6,469	\$6,196
10,001 to 25,000	73	10.9	1,218,469	45,336	19,213	31,712	28,887
25,001 to 50,000	91	13.6	3,467,021	137,224	33,019	103,651	97,587
50,001 to 100,000	94	14.1	6,634,559	207,648	105,876	210,607	197,617
100,001 to 250,000	79	11.8	12,379,687	480,932	81,652	415,412	394,918
250,001 to 500,000	57	8.5	21,059,247	791,883	142,305	729,494	672,726
500,001 to 1,000,000	60	9.0	43,503,785	1,639,741	255,684	1,541,380	1,181,302
1,000,001 to 5,000,000	103	15.4	244,947,784	10,970,168	342,142	8,038,563	6,747,776
5,000,001 to 10,000,000	27	4.0	197,346,729	7,926,348	339,783	7,324,261	5,856,531
More than 10,000,000	<u>27</u>	<u>4.0</u>	<u>631,045,279</u>	<u>27,319,489</u>	<u>--</u>	<u>22,533,090</u>	<u>20,315,610</u>
Total	668	100.0%	\$1,161,871,690	\$49,530,187	\$1,323,048	\$40,934,639	\$35,499,150

ATTACHMENT 15 (continued)

Corporate MAC Claimant Tax Liability by Income Class (Tax Years 2013 through 2016)

Tax Year 2016

Wisconsin Net Income	Number of Returns	% of Returns	Total WI Income	Manufacturing Credit Used	Agriculture Credit Used	Liability After MAC	Net Tax Liability
Zero to \$10,000	50	8.3%	\$234,548	\$12,012	\$3,745	\$2,772	\$2,114
10,001 to 25,000	60	10.0	1,095,277	57,165	16,308	13,054	9,328
25,001 to 50,000	74	12.3	2,754,064	125,354	46,894	45,322	38,815
50,001 to 100,000	77	12.8	5,631,356	281,391	84,334	79,156	68,185
100,001 to 250,000	73	12.1	11,706,008	487,975	225,700	211,098	180,043
250,001 to 500,000	56	9.3	20,292,986	1,192,198	105,474	305,475	236,759
500,001 to 1,000,000	52	8.7	36,929,675	2,277,074	67,979	572,391	360,479
1,000,001 to 5,000,000	109	18.1	252,816,874	13,767,750	25,630	6,179,149	4,390,957
5,000,001 to 10,000,000	25	4.2	173,228,065	11,426,638	--	2,258,381	1,249,421
More than 10,000,000	<u>25</u>	<u>4.2</u>	<u>533,212,546</u>	<u>31,553,243</u>	<u>--</u>	<u>10,570,546</u>	<u>8,504,564</u>
Total	601	100.0%	\$1,037,901,399	\$61,180,800	\$576,064	\$20,237,344	\$15,040,665

Source: Department of Revenue Aggregate Statistics.

*The current 7.5% MAC percentage phased in over a four-year period beginning in tax year 2013. The credit percentage was equal to: (a) 1.875% for tax year 2013; (b) 3.75% for 2014; and (c) 5.025% for 2015.

--To protect taxpayer confidentiality, some data (denoted with "--") has been suppressed. Data for corporations with net income of less than zero is suppressed and not reported for tax years 2013 through 2016.