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property tax level in wisconsin

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Property Tax Level in Wisconsin

The property tax is the largest source of combined state and local tax revenue in Wisconsin. Prior to 1900, the property tax was the state government's largest tax. As the state's economy has diversified, the state government has come to rely on other tax sources and has established various aid programs to reduce local reliance on the property tax. The last remaining state property tax was the state forestation tax, which was repealed in 2017 Act 59, but was previously levied at a rate of \$0.17 per \$1,000 of value. Revenues from the tax were replaced with an annual transfer from the state general fund to the state conservation fund in an amount equal to \$0.17 mill for each dollar of assessed valuation of property in the state, which totaled \$98.6 million in 2019-20.

The following sections describe seven aspects of Wisconsin's property tax system: (1) reliance of local governments on the property tax; (2) measures of property tax levels in Wisconsin and other states; (3) property tax distribution by type of taxpayer; (4) changes in property tax levies by taxing jurisdiction; (5) property tax rates; and (6) property taxes paid on a median-valued home.

Local Government Reliance on Property Tax Revenues

The property tax is the major source of tax revenue for local governments in Wisconsin. According to the U.S. Census Bureau, in 2017-18, the property tax made up 68.2% of local government tax revenues in Wisconsin, and accounted for 34.4% of all local government revenues in the state. Table 1 compares the composition of local government revenue in Wisconsin to the U.S. average. As shown, Wisconsin local governments

rely on the property tax more than the U.S. average for local governments. Wisconsin governments also have a greater reliance on intergovernmental revenues, while "own source" revenues are more significant, on average, for local governments in other states. Further information on Wisconsin local governments' reliance on property taxes compared to local governments in other states can be found in the Legislative Fiscal Bureau's informational paper entitled, "State and Local Government Revenue and Expenditure Rankings."

Wisconsin local governments may not levy a property tax unless authorized by state law. Each of the types of local units with taxing authority is described below. Table 2 reports the composition of revenues for all but special purpose districts.

Towns, Villages, and Cities. There are 190 cities, 413 villages, and 1,252 towns in Wisconsin. They are sometimes called "general purpose governments" because they provide a variety of public services, including police and fire protection, sanitation, transportation, and recreation. Municipalities rely on a more diverse array of revenue sources than other local

Table 1: Composition of Local Government Revenues (Wisconsin Versus U.S. Average, 2017-18)

	Wisconsin	U.S. Average
Property Tax	34.4%	30.2%
Sales and Gross Receipts Taxes	1.9	7.5
Income Tax	N.A.	2.5
Other Taxes	1.0	1.9
Charges and Miscellaneous	<u>17.4</u>	<u>22.9</u>
Total Own Source Revenues	54.6%	65.1%
Intergovernmental Revenues	<u>45.4</u>	<u>34.9</u>
Total Revenues	100.0%	100.0%

Table 2: Revenue Sources for Local Governments (\$ in Millions)

	Gross Property Tax	Other Taxes	Intergov- ernmental Aids	Other Revenues	Total
Towns (2019)					
Amount	\$437.3	\$31.4	\$269.4	\$324.1	\$1,062.2
% of Total	41.2%	3.0%	25.4%	30.5%	100.0%
Villages (2019)					
Amount	\$658.3	\$65.4	\$183.3	\$1,063.2	\$1,970.2
% of Total	33.4%	3.3%	9.3%	54.0%	100.0%
Cities (2019)					
Amount	\$2,313.0	\$250.2	\$1,209.2	\$4,547.0	\$8,319.4
% of Total	27.8%	3.0%	14.5%	54.7%	100.0%
Counties (2019)					
Amount	\$2,233.2	\$552.8	\$1,687.5	\$3,856.3	\$8,329.8
% of Total	26.8%	6.6%	20.3%	46.3%	100.0%
School Districts (2018-19)					
Amount	\$4,987.9	\$0.0	\$6,699.5	\$561.5	\$12,248.9
% of Total	40.7%	0.0%	54.7%	4.6%	100.0%
Technical College Districts (2018-19)					
Amount	\$457.2	\$0.0	\$559.1*	\$561.8	\$1,578.1
% of Total	29.0%	0.0%	35.4%	35.6%	100.0%

*Does not include duplicative revenues from federal student aid used to pay tuition and fees.

governments to fund these services. However, the property tax represents the most significant tax available to municipalities and, on average, it represents 30.0% of all municipal revenue. Other taxes that municipalities may impose include the room tax, motor vehicle registration fee ("wheel tax"), mobile home fees, premier resort area tax, and special assessments.

Counties. Like municipalities, the state's 72 counties perform a variety of services that may be characterized as "general purpose." However, 29.2% of all county expenditures are dedicated to health and human service functions. In addition to the property tax, counties may impose sales and use taxes, which represent the majority of other county taxes, and a "wheel tax."

Elementary and Secondary School Districts. In 2020-21, the state contained 421 elementary

and secondary school districts. Unlike municipalities and counties, these districts perform a single function -- education. Prior to 1996-97, the property tax was the most significant revenue source of school districts and comprised almost half of all school district revenues. However, increases in state aid resulting from a state commitment in 1996-97 to provide two-thirds of partial school revenues on a statewide basis caused intergovernmental aids to become the most significant revenue source for school districts. Even though the state discontinued the "two-thirds" requirement after 2002-03, intergovernmental revenues continue to be the largest revenue source for school districts.

Technical College Districts. There are 16 technical college districts in the state. They provide post-secondary education through courses leading to associate degrees and vocational diplo-

mas, college parallel courses, and continuing education courses. The property tax accounts for 29.0% of their revenues. The percentage of revenues attributable to the property tax decreased significantly beginning in 2014-15 as a result of 2013 Act 145, which provided \$406 million annually in property tax relief for technical college districts.

Special Purpose Districts. In addition to the districts described above, other special purpose districts are authorized to levy property taxes. These include seven metropolitan sewerage districts, 285 town sanitary districts, and 247 inland lake rehabilitation districts. Although they may have a tax levy, many special purpose districts raise most of their revenues through user fees.

Measures of Property Tax Level

Wisconsin local governments' heavy reliance on the property tax has contributed to the state's above-average property tax levels. Two widely used measures of tax levels are property taxes per \$1,000 of personal income and property taxes per

capita. Table 3 shows Wisconsin's ranking under these measures since 1970. Wisconsin's property tax level exceeded the U.S. average under both measures in all periods examined. This comparison is based on the most recent data provided by the U.S. Census Bureau and the Bureau of Economic Analysis.

Property Tax Distribution by Type of Taxpayer

This section provides estimates of the percent of total property taxes borne by different types of property since 1970. The Department of Revenue annually reports gross property tax levies by class of property. Two adjustments have been made to the Department's figures. First, taxes on personal property have been allocated by type of taxpayer. Second, state property tax credits have been apportioned to distinguish between the gross and net tax burdens.

Table 4 reports property tax levies net of state property tax credits by type of taxpayer between 1970(71) and 2019(20). Over this period, taxes

Table 3: Wisconsin State and Local Property Taxes Per \$1,000 of Personal Income and Per Capita Compared to Other States*

	Property Taxes Per \$1,000 of Personal Income			Property Taxes Per Capita		
	Amount	Rank	Percent of U.S. Average	Amount	Rank	Percent of U.S. Average
1970	\$63.35	4	138.5%	\$220.50	6	131.6%
1975	52.13	13	116.6	271.09	14	112.2
1980	35.43	19	119.7	360.45	16	119.2
1985	43.46	10	137.2	571.81	12	131.1
1990	43.24	13	126.2	736.13	16	118.1
1995	47.73	8	137.6	1,018.49	11	133.3
2000	38.58	10	122.4	1,058.69	12	119.9
2005	43.24	11	127.9	1,405.66	12	123.7
2010	46.15	9	123.9	1,694.34	13	118.7
2015	36.74	15	112.3	1,624.73	15	107.6
2018	34.20	17	105.9	1,679.92	20	100.3

*Includes the District of Columbia.

Source: U.S. Census Bureau and Bureau of Economic Analysis.

Table 4: Net Property Tax by Type of Taxpayer (\$ in Millions)

	1970(71)	1975(76)	1980(81)	1985(86)	1990(91)	1995(96)	2000(01)	2005(06)	2010(11)	2015(16)	2019(20)
Residential	\$526.1	\$699.3	\$1,124.1	\$1,617.5	\$2,458.9	\$3,370.5	\$4,079.3	\$5,465.0	\$6,506.9	\$6,411.9	\$6,950.7
Commercial	202.0	279.4	361.2	573.8	971.3	1,205.9	1,321.8	1,630.9	2,072.3	2,255.0	2,487.8
Real Estate	169.0	231.4	311.6	487.8	822.6	1,023.6	1,166.5	1,478.2	1,880.3	2,057.9	2,356.4
Personal Property	33.0	48.0	49.6	86.0	148.7	182.3	155.3	152.7	192.0	197.1	131.4
Manufacturing	184.1	119.3	128.0	173.4	239.2	275.1	280.8	281.4	321.1	363.1	381.3
Real Estate	115.0	77.8	93.3	128.1	166.6	196.8	227.9	234.9	266.1	298.1	316.8
Personal Property	69.1	41.5	34.7	45.3	72.6	78.3	52.9	46.5	55.0	65.0	64.5
Other	127.2	164.9	287.8	379.7	399.5	416.1	364.8	362.6	442.4	433.2	442.5
Agricultural/Other	108.6	148.1	257.5	335.5	342.6	352.8	255.2	208.1	235.2	231.7	240.2
Swamp/Waste/ Forest	5.9	10.1	26.1	42.2	53.5	59.3	105.6	150.6	202.3	196.4	198.9
Other Personal	<u>12.7</u>	<u>6.7</u>	<u>4.2</u>	<u>2.0</u>	<u>3.4</u>	<u>4.0</u>	<u>4.0</u>	<u>3.9</u>	<u>4.9</u>	<u>5.1</u>	<u>3.4</u>
Total	\$1,039.4	\$1,262.9	\$1,901.1	\$2,744.4	\$4,068.9	\$5,267.6	\$6,046.7	\$7,739.9	\$9,342.7	\$9,463.2	\$10,262.3

Percent of Total

Residential	50.6%	55.4%	59.1%	58.9%	60.4%	64.0%	67.5%	70.6%	69.7%	67.8%	67.7%
Commercial	19.5	22.1	19.0	20.9	23.9	22.9	21.9	21.1	22.2	23.8	24.3
Real Estate	16.3	18.3	16.4	17.8	20.2	19.4	19.3	19.1	20.1	21.7	23.0
Personal Property	3.2	3.8	2.6	3.1	3.7	3.5	2.6	2.0	2.1	2.1	1.3
Manufacturing	17.7	9.4	6.7	6.4	5.9	5.2	4.6	3.6	3.4	3.8	3.7
Real Estate	11.1	6.1	4.9	4.7	4.1	3.7	3.7	3.0	2.8	3.1	3.1
Personal Property	6.6	3.3	1.8	1.7	1.8	1.5	0.9	0.6	0.6	0.7	0.6
Other	12.2	13.1	15.2	13.8	9.8	7.9	6.0	4.7	4.7	4.6	4.2
Agricultural/Other	10.4	11.8	13.6	12.2	8.4	6.7	4.2	2.7	2.5	2.4	2.3
Swamp/Waste/ Forest	0.6	0.8	1.4	1.5	1.3	1.1	1.7	1.9	2.1	2.1	1.9
Other Personal	<u>1.2</u>	<u>0.5</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

increased more rapidly on residential and commercial property than on manufacturing and other property. As a result, residential and commercial property have borne increasing shares of the tax burden, while decreasing shares have been borne by manufacturing and other property. Several factors explain the shift in tax shares.

First, some types of property have been exempted through state law changes. Manufacturers' machinery and equipment (M&E) was exempted in 1974. In 1977, the Legislature chose to gradually exempt farmers' livestock and commercial and manufacturing inventories by assessing them at increasingly lower percentages of full value until they became entirely exempt in 1981.

The exemption for computers and related equipment took effect in 1999 and removed \$2.3 billion in tax base. At the time of their enactment, these three exemptions collectively represented 18% of the remaining statewide taxable value. Much of the reduction in agricultural taxes between 1995(96) and 2005(06) was caused by phasing-in use value assessment for agricultural land. Most recently, the 2017-19 biennial budget exempted personal property classified as machinery, tools, and patterns not used for manufacturing purposes.

Second, property has been added or removed since 1970(71). The majority of new construction has been for residential and commercial uses. As that tax base has been added, residential and com-

mercial taxpayers have borne an increasing percentage of total taxes. Other properties have been demolished or converted to other uses. This accounts for some of the reduction in the percent of taxes borne by manufacturing property. Similarly, farmland has been converted to other uses. According to the United States Department of Agriculture, the number of farms has declined from about 110,000 in 1970 to 64,900 in 2019.

Finally, economic conditions explain some of the shifts. For example, national economic conditions caused some reductions in manufacturing, commercial, and agricultural tax base during the 1980s and residential tax base in the late 2000s and early 2010s. As a result, taxes on that property either declined or grew at a slower rate during these periods.

Changes in Property Tax Levies by Taxing Jurisdiction

Changes in property tax levies have varied by type of taxing jurisdiction between 1970(71) and 2019(20). Table 5 reports that gross tax levies increased by an average, annual rate of 4.8% over that period.

Elementary and secondary school levies comprised half, or more, of total levies between 1970 and 1995. State funding of two-thirds of partial school revenues on a statewide basis between 1996(97) and 2002(03) and school district revenue limits have caused the school percentage to decrease since 1995(96), and school taxes equaled only 44.8% of all property taxes in 2019(20). Since 1970, school levies increased at the lowest average, annualized rate (4.3%), although school levies increased at the highest rate from 2005 to 2010 (5.5%). Since 2015, statewide school levies have increased 1.8%.

In Table 5, the growth rates for school levies

may be overstated for 1980 to 1985 and understated for 1985 to 1990 because the table reflects 1985(86) tax levies prior to the application of \$155 million in school aid tax credits. Subsequently, funding for the credits was converted to direct school aids. If the credits are subtracted from the 1985(86) levy, average annual school tax increases of 5.4% from 1980 to 1985 and 8.3% from 1985 to 1990 result.

Technical college district levies increased at the highest annual growth rate of any of the levies between 1970 and 2019 (6.1%). Above average growth rates throughout the 1970s coincided with the transformation of the vocational education system from a municipal basis to a statewide system (see the Legislative Fiscal Bureau's informational paper entitled "Wisconsin Technical College System"). From 1980 through 1990, growth in technical college levies was lower than that for other taxing jurisdictions, but the pattern between 1990 and 2005 was for levy increases greater than that for other taxing jurisdictions. In 2015, the technical college district levy decreased from the 2010 levy, while all other jurisdictions' levies increased. This decrease was the result of the additional state aid provided through 2013 Act 145.

County levies changed at annual rates below the state average between 1970 and 1975 and between 1980 and 1985. During those periods, the state assumed county costs for certain health and social services programs (1972 and 1973) and the Milwaukee Metropolitan Sewerage District assumed levying authority for its taxes from Milwaukee County (1982 and 1983). Until the 2005 to 2010 period, growth in county levies exceeded the rate of change for total levies during each other period examined. Behind schools, counties had the second lowest average, annualized growth rate since 1970 (4.6%).

Municipal and special purpose district levies increased at rates below the growth rates for total levies for the 1975 to 1980, 1990 to 1995, and 2005 to 2010 periods. Levies in this category,

Table 5: Total Property Tax Levy by Taxing Jurisdiction (\$ in Millions)

Year Levied	Gross Property Tax*	Municipal & Special District	County	Elementary & Secondary (K-12) Schools	Technical College Districts
1970(71)					
Amount	\$1,179.0	\$220.8	\$251.1	\$674.0	\$26.2
% of Total	100.0%	18.7%	21.3%	57.2%	2.2%
1975(76)					
Amount	\$1,601.3	\$369.9	\$241.4	\$899.5	\$78.9
% of Total	100.0%	23.1%	15.1%	56.2%	4.9%
1980(81)					
Amount	\$2,210.0	\$479.6	\$355.5	\$1,219.9	\$133.4
% of Total	100.0%	21.7%	16.1%	55.2%	6.0%
1985(86)					
Amount	\$3,203.5	\$765.2	\$489.8	\$1,738.3	\$185.6
% of Total	100.0%	23.9%	15.3%	54.3%	5.8%
1990(91)					
Amount	\$4,388.2	\$1,070.6	\$697.5	\$2,356.4	\$235.4
% of Total	100.0%	24.4%	15.9%	53.7%	5.4%
1995(96)					
Amount	\$5,738.9	\$1,379.2	\$964.5	\$3,023.6	\$331.3
% of Total	100.0%	24.0%	16.8%	52.7%	5.8%
2000(01)					
Amount	\$6,604.5	\$1,837.1	\$1,316.1	\$2,927.8	\$466.3
% of Total	100.0%	27.8%	19.9%	44.3%	7.1%
2005(06)					
Amount	\$8,326.7	\$2,361.1	\$1,671.1	\$3,592.3	\$622.0
% of Total	100.0%	28.4%	20.1%	43.1%	7.5%
2010(11)					
Amount	\$10,364.6	\$2,878.9	\$1,951.4	\$4,692.9	\$757.2
% of Total	100.0%	27.8%	18.8%	45.3%	7.3%
2015(16)					
Amount	\$10,620.2	\$3,180.9	\$2,086.5	\$4,852.9	\$416.7
% of Total	100.0%	30.0%	19.6%	45.7%	3.9%
2019(20)					
Amount	\$11,618.2	\$3,656.9	\$2,280.8	\$5,209.4	\$471.2
% of Total	100.0%	31.5%	19.6%	44.8%	4.1%
Annualized Average Growth Rates					
1970-75	6.3%	10.9%	-0.8%	5.9%	24.6%
1975-80	6.7	5.3	8.0	6.3	11.1
1980-85	7.7	9.8	6.6	7.3	6.8
1985-90	6.5	6.9	7.3	6.3	4.9
1990-95	5.5	5.2	6.7	5.1	7.1
1995-00	2.8	5.9	6.4	-0.6	7.1
2000-05	4.7	5.1	4.9	4.2	5.9
2005-10	4.5	4.0	3.1	5.5	4.0
2010-15	0.5	2.0	1.3	0.7	-11.3
2015-19	2.3	3.5	2.3	1.8	3.1
1970-2019	4.8%	5.9%	4.6%	4.3%	6.1%

*The state forestry tax (repealed in 2017 Act 59) is not individually reflected and accounts for the remainder of the total levy for 1970(71) through 2015(16).

increased at a more rapid rate than the rate of change for total levies during each other period examined. Since 1970, municipalities and special districts posted the second highest average, annualized rate of increase (5.9%). Levies for tax increment districts are included in this category

1980s, causing increases in the state average tax rate, as shown for the five-year period ending in 1985(86) and 1990(91). Then, beginning with the period from ending in 1995(96), the state average tax rate again fell for three successive five-year periods, with gross tax rates equaling \$19.46 per \$1,000 of value in 2005(06). Subsequently, increases occurred in each of the next two five-year periods before falling again in the most recent period shown when the gross tax rate equaled \$20.00 per \$1,000 of value in 2019(20).

Property Tax Rates

Table 6 shows the property values, tax levies, and tax rates for every five years since 1970(71) and for the most recent year. The table also shows the changes in the state average property tax rate for five-year periods as well as for the recent two-year period. For the years displayed, the rate peaked in 1970(71). Subsequently, during the 1970s, the state average tax rate declined as growth in property values exceeded tax levy increases. However, that relationship reversed in the

Estimated Property Tax Bills

Table 7 provides estimates of tax bills for a median-valued home for the 10-year period from 2010(11) through 2019(20). The amounts were calculated by multiplying statewide average tax

Table 6: Change in the State Average Property Tax Rate for All Property -- 1970(71) to 2019(20)

Year Levied (Collected)	Full Value of All Property	Statewide Property Tax Levy		Tax Rate Per \$1,000 of Value	
		Gross	Net	Gross	Net
1970(71)	\$34,790,499,300	\$1,178,975,199	\$1,039,383,102	\$33.89	\$29.88
1975(76)	58,549,890,092	1,601,263,271	1,262,918,209	27.35	21.57
1980(81)	108,480,469,889	2,210,004,212	1,901,104,090	20.37	17.52
1985(86)	123,021,487,280	3,203,487,573	2,744,387,590	26.04	22.31
1990(91)	141,370,307,160	4,388,165,512	4,068,860,512	31.04	28.78
1995(96)	201,538,109,000	5,738,930,868	5,267,648,137	28.48	26.14
2000(01)	286,321,491,800	6,604,531,375	6,046,744,052	23.07	21.12
2005(06)	427,933,562,000	8,326,736,844	7,739,898,537	19.46	18.09
2010(11)	495,904,192,300	10,364,621,246	9,342,723,540	20.90	18.84
2015(16)	490,602,544,050	10,620,155,023	9,463,188,832	21.65	19.29
2019(20)	580,872,723,300	11,618,243,857	10,262,116,246	20.00	17.67
Annualized Average Growth Rates					
1970 - 1975	11.0%	6.3%	4.0%	-4.2%	-6.3%
1975 - 1980	13.1	6.7	8.5	-5.7	-4.1
1980 - 1985	2.5	7.7	7.6	5.0	4.9
1985 - 1990	2.8	6.5	8.2	3.6	5.2
1990 - 1995	7.3	5.5	5.3	-1.7	-1.9
1995 - 2000	7.3	2.8	2.8	-4.1	-4.2
2000 - 2005	8.4	4.7	5.1	-3.3	-3.1
2005 - 2010	3.0	4.5	3.8	1.4	0.8
2010 - 2015	-0.2	0.5	0.3	0.7	0.5
2015 - 2019	4.3	2.3	2.0	-2.0	-2.2
1970 - 2019	5.9%	4.8%	4.82%	-1.1%	-1.1%

rates by the estimated statewide median home values. The statewide median home values are based on the values reported by the U.S. Census Bureau, which collects these values in its annual American Community Survey (ACS).

Over the 10-year period, the gross property tax bill on the statewide median valued home increased from \$3,555 for 2010(11) to \$3,750 for 2019(20), and the net tax bill increased from \$3,146 to \$3,195. These amounts represent increases of 5.5% in the gross tax bill and 1.6% in the net tax bill. Over the same ten-year period, the consumer price index increased by 17.2%.

State tax credits account for the distinction between gross tax bills and net tax bills. When tax

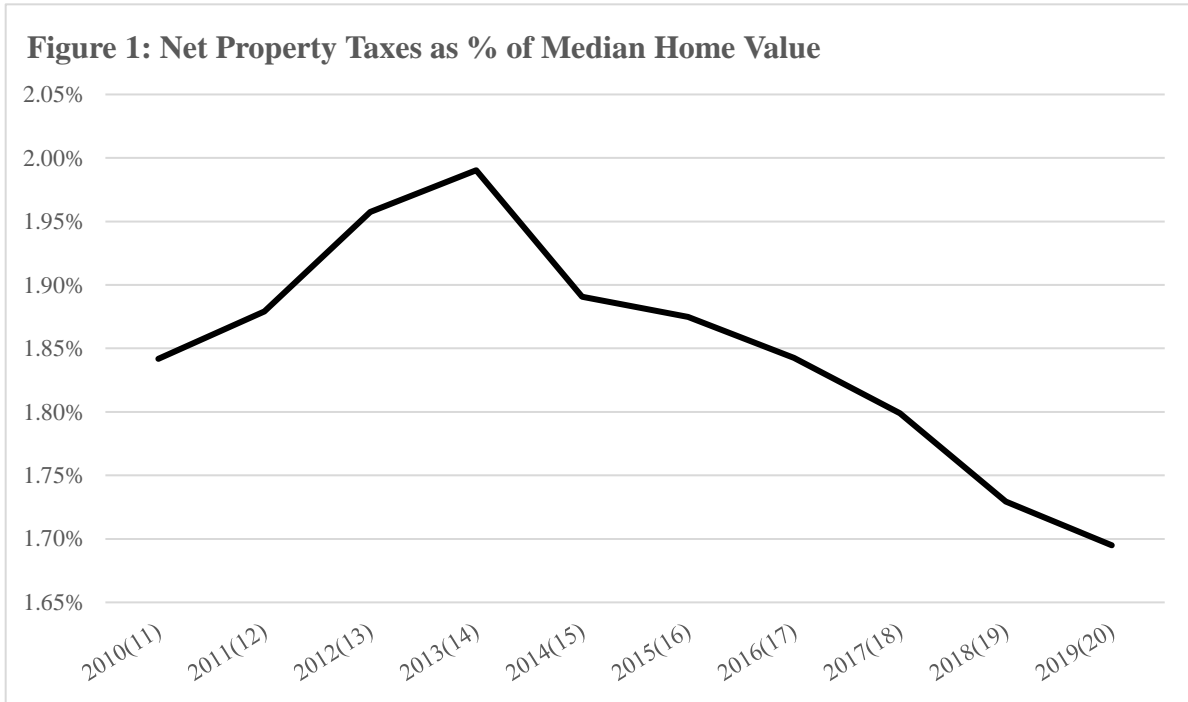
credit funding is unchanged from year to year and the statewide tax base increases, the amount of tax credits distributed to each taxpayer will decline, on average. Conversely, if percentage growth in funding available for credits exceeds the percentage growth in the statewide tax base on which each credit is paid, the amount of tax credits distributed to eligible taxpayers will increase.

Between 2010(11) and 2019(20), the net tax bill increased at an average annual rate of 0.2%, while the average annualized rate of change for the consumer price index was 1.8%. Net residential property tax levies are impacted by a number of factors, including statutory fiscal controls, state tax credits, and the growth in value of the residential class of property (compared to other

Table 7: Estimated Property Tax Bills for a Median-Valued Home* Based on Statewide Average Tax Rates

	2010(11)	2011(12)	2012(13)	2013(14)	2014(15)	2015(16)	2016(17)	2017(18)	2018(19)	2019(20)
Value	\$170,800	\$169,400	\$166,700	\$165,200	\$163,000	\$164,700	\$168,300	\$173,200	\$178,900	\$188,500
Type of Tax										
School	\$1,668	\$1,667	\$1,699	\$1,711	\$1,671	\$1,685	\$1,676	\$1,692	\$1,688	\$1,760
Municipal	861	884	912	930	918	927	949	972	989	1,020
County	693	707	725	733	719	725	735	752	755	771
Technical College	269	277	287	291	143	145	150	153	155	159
Other	<u>64</u>	<u>64</u>	<u>65</u>	<u>66</u>	<u>65</u>	<u>66</u>	<u>67</u>	<u>39</u>	<u>39</u>	<u>40</u>
Gross Tax	\$3,555	\$3,599	\$3,688	\$3,731	\$3,516	\$3,548	\$3,577	\$3,608	\$3,626	\$3,750
Per \$1,000/Value	20.81	21.25	22.12	22.58	21.57	21.54	21.25	20.83	20.27	19.89
Tax Credits										
School Levy	-\$257	-\$260	-\$264	-\$264	-\$254	-\$286	-\$284	-\$310	-\$306	-\$305
First Dollar	-67	-67	-67	-66	-67	-67	-67	-66	-66	-66
Lottery and Gaming	<u>-85</u>	<u>-89</u>	<u>-94</u>	<u>-113</u>	<u>-113</u>	<u>-107</u>	<u>-125</u>	<u>-116</u>	<u>-160</u>	<u>-184</u>
Net Tax Bill	\$3,146	\$3,183	\$3,263	\$3,288	\$3,082	\$3,088	\$3,101	\$3,116	\$3,094	\$3,195
Per \$1,000/Value	18.42	18.79	19.57	19.90	18.91	18.75	18.43	17.99	17.29	16.95
Change from Prior Year										
Gross Tax										
Amount		\$44	\$89	\$43	-\$215	\$32	\$29	\$31	\$18	\$124
Percent		1.2%	2.5%	1.2%	-5.8%	0.9%	0.8%	0.9%	0.5%	3.4%
Net Tax										
Amount		\$37	\$80	\$25	-\$206	\$6	\$13	\$15	-\$22	\$101
Percent		1.2%	2.5%	0.8%	-6.3%	0.2%	0.4%	0.5%	-0.7%	3.3%

* Based on the annual American Communities Survey, administered by the U.S. Census Bureau.



property classes).

Table 7 shows that the median home value dropped from 2010(11) through 2013(14), likely due to the continued effects of the Great Recession and the decline in the housing market. Subsequently, housing prices began to recover in 2014 (first reflected in 2015 values), and have steadily increased since that time. This is consistent with trends in the broader economy and housing market. While both gross and net tax bills have increased during this same period, the growth in net tax bills has been much slower than the growth in gross tax bills. This difference can be attributed to the increased funding for state property tax credits (the school levy tax credit, the first dollar credit, and the lottery and gaming credit). Gross tax bills decreased from \$20.81 per \$1,000 in home value in 2010(11) to \$19.89 per \$1,000 in home value in 2019(20). Net tax bills saw a larger decrease, from \$18.42 per \$1,000 in home value in 2010(11) to \$16.95 in 2019(20).

Table 7 also shows that gross and net tax rates increased until 2013(14), at which point they began to decrease when the growth in the median value home outpaced the growth in the estimated net property tax bill on that home. This trend is also shown in Figure 1, which indicates the net amount of property tax, as a percentage of the total median valued home, over the same period as indicated in Table 7.

As shown in Figure 1, the net amount of property tax paid is a smaller percentage of the home value in every year since 2013(14). Factors contributing to this drop likely include the combination of limited property tax increases (due to additional funding for property tax credits, the large 2014(15) funding increase for the technical college system, and tight statutory fiscal controls on local governments) at a time when the state was experiencing a rise in the median home value.