

INDIVIDUAL INCOME TAX STATISTICS REPORT FOR TAX YEAR 2010

This report summarizes data from individual income tax returns for tax year 2010 that were filed by October 15, 2011.

COMPARISON WITH TAX YEAR 2009 (Table 1)

Taxpayers filed 2.86 million tax returns for tax year 2010, an increase of 1.1% over the 2.83 million returns filed for 2009. In 2010, there were 1.2 million single filers (42.5% of total), and 271,000 head-of-household filers (9.5%). Married joint filers numbered 1.2 million (40.8%) while married separate filers numbered around 18,000 (0.6%). In addition, there were about 189,000 dependent filers (filers who were claimed as dependents on someone else's tax return) (6.6%).

Wisconsin adjusted gross income (WAGI) was \$135.4 billion in tax year 2010, a 5.3% increase from 2009. Total standard deductions equaled \$17.1 billion in tax year 2010, compared to \$17.5 billion for 2009, a decrease of 2.4%. Personal exemptions were \$3.2 billion in 2010 compared to \$3.1 billion in 2009, a 1.8% increase. Total income tax liability (before the minimum tax) increased 5.9% to \$6.07 billion and the alternative minimum tax, paid by just over 5,000 filers, generated \$5.6 million in tax year 2010, a 5.1% increase from tax year 2009. Of the 2.86 million tax returns filed for 2010, 1.98 million, or 69.0%, showed a net income tax liability. The average tax rate, equal to net tax divided by WAGI, was 4.48%.

Net income tax equals gross tax, calculated by applying the statutory tax rates and brackets to taxable income, less nonrefundable tax credits. Nonrefundable tax credits can only be used to offset tax liability. Since some taxpayers have low gross tax prior to credits, they are able to use only part of the credits that are claimed. Nonrefundable credits include the itemized deduction credit, the armed forces member credit, the school property tax credit, the working families credit, the married couple credit, the credit for taxes paid to other states, the development zone credit, the dairy and livestock investment credit, the historic rehabilitation credit, the angel investment credit, the early stage seed investment credit, the technology zone credit, the manufacturer's sales tax credit, the internet equipment credit, the health insurance risk sharing plan assessments credit, the film production company investment credit, the film production services credit, the manufacturing investment credit, the economic development tax credit, the ethanol and biodiesel fuel pump credit, the postsecondary education credit, the water consumption credit, and the jobs tax credit. These credits increased 11.7% to \$1.21 billion in 2010. The three largest nonrefundable credits -- the school property tax credit (\$390.0 million), the married couple credit (\$258.9 million) and the itemized deduction credit (\$302.9 million) -- accounted for 78.9% of the total used credits.

Wisconsin also allows refundable credits, with credit amounts in excess of tax liability refunded to the taxpayer. These credits include the earned income tax credit, the homestead credit, the farmland preservation credit, the veterans' and surviving spouses' property tax credit, the enterprise zone jobs credit, the dairy manufacturing facility credit, the meat processing facility investment credit, the film production company investment credit, the film production services credit, the dairy cooperatives credit, the woody biomass harvesting and processing credit, and the food processing plant and food warehouse investment. Refundable credits decreased 1.3% from \$288.1 million in 2009 to \$284.4 in 2010. The largest of these credits was the homestead

credit at \$125.2 million, followed by the earned income tax credit at \$124.0 million. Separate reports on certain refundable credits are available on the Department of Revenue website, www.revenue.wi.gov.

TABLE 1			
INDIVIDUAL INCOME TAX RETURNS: SELECTED TAX ITEMS FOR TAX YEARS 2009 AND 2010			
(dollar amounts in millions)			
	Tax Year 2009	Tax Year 2010	Percent Change
Count of Tax Returns	2,831,470	2,862,420	1.1%
Single	1,195,730	1,215,840	1.7%
Dependent filers	194,280	189,330	-2.6%
Head of Household	261,530	270,730	3.5%
Married Filing Jointly	1,160,900	1,168,150	0.6%
Married Filing Separately	19,030	18,380	-3.4%
Wisconsin Adjusted Gross Income (WAGI)	128,590.00	135,430.00	5.3%
Standard Deduction			
Number of returns	2,364,610	2,359,380	-0.2%
Amount	17,554.28	17,127.32	-2.4%
Personal Exemptions			
Number of returns	2,026,630	2,075,190	2.4%
Amount	3,114.03	3,168.75	1.8%
Taxable Income			
Number of returns	2,045,670	2,096,500	2.5%
Amount	109,657.02	116,366.62	6.1%
Gross Income Tax (before credits)			
Number of returns	2,041,200	2,091,380	2.5%
Amount	6,807.78	7,272.91	6.8%
Net Income Tax			
Number of returns	1,929,670	1,974,250	2.3%
Amount	5,727.83	6,066.23	5.9%
Alternative Minimum Tax			
Number of returns	4,450	5,010	12.6%
Amount	5.33	5.61	5.1%
Total Tax Liability (Net Tax + Minimum Tax)			
Number of returns	1,930,380	1,975,160	2.3%
Percent of total returns filed	68.2%	69.0%	
Amount	5,733.17	6,071.84	5.9%
Aver. Tax Rate (as % of WAGI)	4.50%	4.50%	

TABLE 1 (continued)			
INDIVIDUAL INCOME TAX RETURNS AND SELECTED TAX ITEMS FOR TAX YEARS 2009 AND 2010			
(dollar amounts in millions)			
	Tax Year	Tax Year	Percent
	2009	2010	Change
Total Nonrefundable Credits (Used)	1,079.94	1,206.68	11.7%
Itemized Deductions Credit			
Number of returns	671,760	696,990	3.8%
Amount	298.80	302.89	1.4%
Armed Forces Credit			
Number of returns	4,870	5,270	8.1%
Amount	1.30	1.41	8.0%
School Property Tax/Rent Credit			
Number of returns	1,635,630	1,652,920	1.1%
Amount	382.57	390.01	1.9%
Working Families Credit			
Number of returns	790	940	19.4%
Amount	0.18	0.19	5.0%
Married Couple Credit			
Number of returns	673,940	667,520	-1.0%
Amount	261.60	258.93	-1.0%
Manufacturer's Sales Tax Credit			
Number of returns	30	20	-23.1%
Amount	0.07	0.05	-19.9%
Credit for Taxes Paid to Other States			
Number of returns	26,530	64,420	142.9%
Amount	120.11	230.62	92.0%
Historic Rehabilitation Credits			
Number of returns	420	600	43.1%
Amount	1.41	1.54	9.1%
Development Zone Credit			
Number of returns	160	150	-5.2%
Amount	2.05	2.39	17.0%
Dairy and Livestock Investment Credit			
Number of returns	4,620	6,460	39.9%
Amount	5.93	12.03	102.9%
Angel Investment Credit			
Number of returns	470	350	-25.6%
Amount	3.83	2.77	-27.7%
Seed Investment Credit			
Number of returns	260	260	-0.4%
Amount	0.95	1.01	6.4%
Technology Zone Credit			
Number of returns	100	70	-30.5%
Amount	0.67	0.46	-31.5%
Internet Equipment Credit			
Number of returns	20	M	-
Amount	0.01	0.00	-55.0%

TABLE 1 (continued)			
INDIVIDUAL INCOME TAX RETURNS AND SELECTED TAX ITEMS FOR TAX YEARS 2009 AND 2010			
(dollar amounts in millions)			
	Tax Year 2009	Tax Year 2010	Percent Change
Health Insurance Risk Sharing Plan Assessments Credit			
Number of returns	S	S	-
Amount	S	S	-
Film Production Company Investment Credit			
Number of returns	S	S	-
Amount	S	S	-
Film Production Services Credit			
Number of returns	M	M	-
Amount	0.04	0.02	-49.7%
Manufacturing Investment Credit			
Number of returns	180	210	18.0%
Amount	0.28	0.48	72.8%
Ethanol and Biodiesel Fuel Pump Credit			
Number of returns	30	30	18.5%
Amount	0.03	0.04	55.0%
Economic Development Tax Credit			
Number of returns	M	130	-
Amount	0.10	1.70	1564.1%
Postsecondary Education Credit			
Number of returns	NA	120	-
Amount	NA	0.12	-
Water Consumption Credit			
Number of returns	NA	M	-
Amount	NA	0.01	-
Jobs Tax Credit			
Number of returns	NA	S	-
Amount	NA	S	-
Refundable Credits			
	288.14	284.36	-1.3%
Earned Income Credit			
Number of returns	273,940	268,480	-2.0%
Amount	127.87	123.98	-3.0%
Homestead Credit			
Number of returns	235,090	238,170	1.3%
Amount	121.09	125.16	3.4%
Farmland Preservation Credit			
Number of returns	16,410	15,670	-4.6%
Amount	14.12	18.17	28.6%
Farmland Tax Relief Credit			
Number of returns	49,260	NA	-
Amount	13.67	NA	-
Veterans Property Tax Credit			
Number of returns	3,670	5,050	37.7%
Amount	10.92	14.89	36.4%

TABLE 1 (continued)			
INDIVIDUAL INCOME TAX RETURNS AND SELECTED TAX ITEMS FOR TAX YEARS 2009 AND 2010			
(dollar amounts in millions)			
	Tax Year	Tax Year	Percent
	2009	2010	Change
Enterprise Zone Jobs Credit			
Number of returns	S	S	-
Amount	S	S	-
Dairy Manufacturing Facility Credit			
Number of returns	90	250	195.3%
Amount	0.27	0.45	67.2%
Dairy Cooperatives Credit			
Number of returns	110	470	332.1%
Amount	0.06	0.23	260.2%
Meat Processing Facility Investment			
Number of returns	10	70	438.5%
Amount	0.08	0.33	327.7%
Film Production Company Investment Credit			
Number of returns	M	M	-
Amount	0.02	0.11	477.4%
Film Production Services Credit			
Number of returns	S	90	-
Amount	0.04	0.16	325.9%
Food processing plant and food warehouse investment credit			
Number of returns	NA	100	-
Amount	NA	0.88	-
Other			
Use Tax			
Number of returns	29,200	28,880	-1.1%
Amount	1.72	1.99	15.6%
Endangered Resources Donation			
Number of returns	18,310	16,910	-7.6%
Amount	0.33	0.32	-3.2%
Packers Football Stadium Donation			
Number of returns	4,920	6,970	41.7%
Amount	0.04	0.05	48.4%
Breast Cancer Research Donation			
Number of returns	14,540	13,300	-8.6%
Amount	0.19	0.18	-8.8%
Veterans Trust Fund Donation			
Number of returns	7,340	7,260	-1.1%
Amount	0.09	0.09	1.1%
Multiple Sclerosis Donation			
Number of returns	6,680	6,450	-3.5%
Amount	0.08	0.08	-2.5%

TABLE 1 (continued)			
INDIVIDUAL INCOME TAX RETURNS AND SELECTED TAX ITEMS FOR TAX YEARS 2009 AND 2010			
(dollar amounts in millions)			
	Tax Year	Tax Year	Percent
	2009	2010	Change
Firefighters Memorial Donation			
Number of returns	4,370	4,340	-0.8%
Amount	0.04	0.04	-2.5%
Prostate Cancer Research Donation			
Number of returns	7,540	7,290	-3.3%
Amount	0.07	0.07	2.4%
Military Family Relief Fund			
Number of returns	8,480	8,750	3.1%
Amount	0.11	0.12	11.1%
Second Harvest Food Bank			
Number of returns	10,050	10,280	2.3%
Amount	0.17	0.18	7.4%
Source: Wisconsin Department of Revenue, Individual Income Tax Aggregate Statistics.			
Note: Details may not sum to totals due to rounding. Percent changes were calculated before rounding.			
S indicates that the line was suppressed because the count was less than six.			
M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).			

INDIVIDUAL INCOME TAX FOR TAX YEAR 2010 DISTRIBUTED BY INCOME CLASS

Tables 2A, 2B, 2C, 2D and Chart 1 show the distribution by income class – as measured by WAGI – of the number of tax filers, WAGI, net income tax, and alternative minimum tax liability for tax year 2010. The tables show the following:

- About 51.5% of tax filers had WAGI less than \$30,000, but they accounted for only 11.6% of total WAGI, and 4.0% of net tax.
- At the other end of the income scale, the 0.4% of tax filers with WAGI in excess of \$500,000 received 11% of total WAGI and paid 16% of net tax. Tax filers with WAGI between \$100,000 and \$500,000 accounted for 9.6% of all filers, 31.2% of total WAGI and 37.2% of net tax.
- The \$30,000 – \$50,000 income class accounted for roughly 17.2% of filers, 14.2% of total WAGI, and 11.0% of net tax.
- Those in the \$50,000 – \$100,000 income class were 21.3% of all filers, 31.9% of total WAGI and 31.9% of net tax.

It is important to note that the distribution of tax filers by WAGI, as shown in Table 2A and Chart 1, does not accurately reflect the distribution of households by total household income. In particular, the percentage of households in low-income categories is much lower than the percentage of tax filers in those categories, for several reasons. First, nontaxable income is not included in the determination of WAGI. For example, at lower income levels, public assistance payments and social security benefits are not taxable and thus do not show up in WAGI. At higher income levels, 30% of long term capital gains are exempt from state taxation and not included in the calculation of WAGI. Thus, WAGI actually understates the income available to the tax filer for his or her use. Second, some taxpayers are able to reduce their income using tax shelters. As a result, WAGI understates their true income. Finally, about 13% of tax filers with WAGI lower than \$30,000 are children who are claimed as dependents on their parents' income tax returns, but have earned income and thus must file their own tax returns.

Tables 2B, 2C, and 2D show average tax rates by WAGI class. Table 2B includes net regular tax, while Table 2C includes net minimum tax, and Table 2D includes total net tax. The regular tax is calculated by applying the statutory tax rates and brackets to taxable income and subtracting used credits. The Wisconsin alternative minimum tax (AMT) is equal to 6.5% of alternative minimum taxable income after allowing exemptions of \$45,000 for individuals who are married filing jointly (\$22,500 if married filing separately and \$33,750 if single). This calculated AMT amount is then compared with the liability under the regular income tax. An AMT is owed only if the calculated amount exceeds the regular tax.

Table 2D shows average tax rates by WAGI class. These rates, calculated by dividing net tax liability by the amount of WAGI, average 4.5% for all income classes, but rise from less than 1% for incomes below \$15,000 to 6.2% for incomes over \$200,000. The increase in the effective tax rate as income increases is the result of the progressive aspects of Wisconsin's income tax structure – specifically, a sliding scale standard deduction where the standard deduction decreases as income increases and marginal tax rates that increase as taxable income rises.

WAGI Class	Tax Filers		Wis. Adjusted Gross Income (WAGI)		
	Count	%	Total Amount (\$)	%	Average (\$)
Less than \$0	56,850	2.0%	(1,233,396,670)	-0.9%	(21,690)
\$0 - <5,000	423,940	14.8	734,221,750	0.5	1,730
\$5,000 - <10,000	262,330	9.2	1,945,920,140	1.4	7,420
\$10,000 - <15,000	209,320	7.3	2,608,533,130	1.9	12,460
\$15,000 - <20,000	188,770	6.6	3,293,752,560	2.4	17,450
\$20,000 - <25,000	172,120	6.0	3,868,200,350	2.9	22,470
\$25,000 - <30,000	162,080	5.7	4,452,262,300	3.3	27,470
\$30,000 - <40,000	277,660	9.7	9,660,972,310	7.1	34,790
\$40,000 - <50,000	213,630	7.5	9,571,569,250	7.1	44,800
\$50,000 - <70,000	318,450	11.1	18,916,650,180	14.0	59,400
\$70,000 - <100,000	292,140	10.2	24,332,143,220	18.0	83,290
\$100,000 - <200,000	231,220	8.1	30,064,569,960	22.2	130,030
\$200,000 - <500,000	42,800	1.5	12,259,830,200	9.1	286,440
\$500,000 - 1,000,000	7,560	0.3	5,101,136,950	3.8	674,490
\$1,000,000 and over	3,530	0.1	9,852,923,500	7.3	2,788,040
TOTAL	2,862,420	100.0%	135,429,289,130	100.0%	47,310

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

WAGI CLASS	Tax Filers		Net Income Tax*			Net Income Tax Rate**
	Count	%	Amount (\$)	%	Average (\$)	
Less than \$0	20	0.0%	(21,090)	0.0%	(880)	0.0%
\$0 - <5,000	34,910	1.8	2,733,670	0.0	80	0.4
\$5,000 - <10,000	24,970	1.3	5,019,790	0.1	200	0.3
\$10,000 - <15,000	99,240	5.0	14,648,550	0.2	150	0.6
\$15,000 - <20,000	135,900	6.9	37,458,700	0.6	280	1.1
\$20,000 - <25,000	147,460	7.5	72,221,330	1.2	490	1.9
\$25,000 - <30,000	154,700	7.8	109,408,870	1.8	710	2.5
\$30,000 - <40,000	273,370	13.8	306,517,170	5.1	1,120	3.2
\$40,000 - <50,000	211,750	10.7	359,501,130	5.9	1,700	3.8
\$50,000 - <70,000	316,730	16.0	794,454,630	13.1	2,510	4.2
\$70,000 - <100,000	291,260	14.8	1,139,246,960	18.8	3,910	4.7
\$100,000 - <200,000	230,420	11.7	1,544,084,980	25.5	6,700	5.1
\$200,000 - <500,000	42,470	2.2	714,304,840	11.8	16,820	5.8
\$500,000 - 1,000,000	7,530	0.4	335,632,410	5.5	44,570	6.6
\$1,000,000 and over	3,530	0.2	631,018,340	10.4	178,960	6.4
TOTAL	1,974,250	100.0%	6,066,230,260	100.0%	3,070	4.5%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

*After nonrefundable credits and before refundable credits. Excludes tax filers without net tax liability.

**Tax as % of WAGI.

TABLE 2C
DISTRIBUTION OF TAX FILERS AND MINIMUM TAX LIABILITY BY WAGI CLASS, TAX YEAR 2010

WAGI Class	Tax Filers		Minimum Tax		
	Count	%	Amount (\$)	%	Average (\$)
Less than \$0	160	3.1%	198,080	3.5%	1,280
\$0 - <5,000	1,930	38.5	872,000	15.6	450
\$5,000 - <10,000	380	7.5	170,450	3.0	450
\$10,000 - <15,000	200	4.1	140,310	2.5	690
\$15,000 - <20,000	180	3.7	113,580	2.0	620
\$20,000 - <25,000	100	1.9	85,880	1.5	900
\$25,000 - <30,000	90	1.8	98,630	1.8	1,100
\$30,000 - <40,000	120	2.3	138,260	2.5	1,180
\$40,000 - <50,000	110	2.2	134,810	2.4	1,240
\$50,000 - <70,000	170	3.3	178,860	3.2	1,070
\$70,000 - <100,000	160	3.3	401,440	7.2	2,450
\$100,000 - <200,000	410	8.1	754,600	13.5	1,850
\$200,000 - <500,000	930	18.6	1,484,820	26.5	1,590
\$500,000 - 1,000,000	60	1.2	414,190	7.4	7,020
\$1,000,000 and over	20	0.4	419,400	7.5	19,060
TOTAL	5,010	100.0%	5,605,310	100.0%	1,120

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

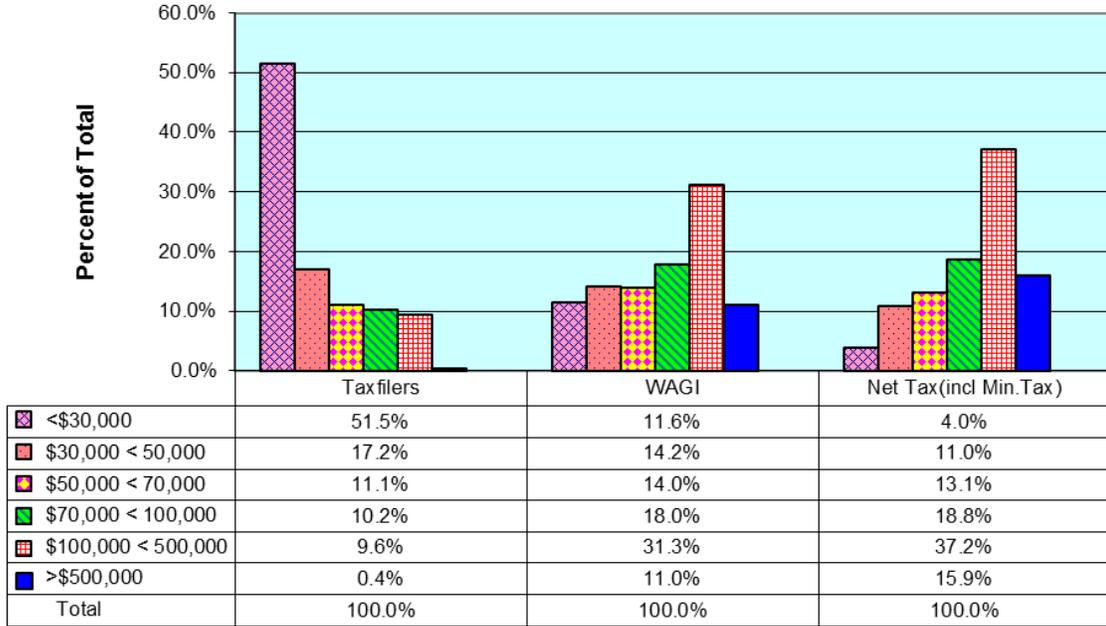
TABLE 2D
DISTRIBUTION OF TAX FILERS AND TOTAL NET TAX LIABILITY BY WAGI CLASS, TAX YEAR 2010

WAGI Class	Tax filers		Total Net Tax Liability (Net + Minimum Tax)			Average Tax
	Count	%	Amount (\$)	%	Average (\$)	Rate (%)**
Less than \$0	150	0.0%	176,990	0.0%	1,200	0.0%
\$0 - <5,000	35,480	1.8	3,605,670	0.1	100	0.5
\$5,000 - <10,000	25,050	1.3	5,190,240	0.1	210	0.3
\$10,000 - <15,000	99,310	5.0	14,788,870	0.2	150	0.6
\$15,000 - <20,000	135,930	6.9	37,572,280	0.6	280	1.1
\$20,000 - <25,000	147,460	7.5	72,307,210	1.2	490	1.9
\$25,000 - <30,000	154,700	7.8	109,507,500	1.8	710	2.5
\$30,000 - <40,000	273,370	13.8	306,655,430	5.1	1,120	3.2
\$40,000 - <50,000	211,740	10.7	359,635,940	5.9	1,700	3.8
\$50,000 - <70,000	316,750	16.0	794,633,490	13.1	2,510	4.2
\$70,000 - <100,000	291,270	14.7	1,139,648,400	18.8	3,910	4.7
\$100,000 - <200,000	230,420	11.7	1,544,839,570	25.4	6,700	5.1
\$200,000 - <500,000	42,470	2.2	715,789,660	11.8	16,860	5.8
\$500,000 - 1,000,000	7,530	0.4	336,046,590	5.5	44,620	6.6
\$1,000,000 and over	3,530	0.2	631,437,740	10.4	179,030	6.4
TOTAL	1,975,160	100.0%	6,071,835,570	100.0%	3,070	4.5%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

**Tax as % of WAGI.

**CHART 1
DISTRIBUTION OF TAXFILERS, WAGI AND TAX BY INCOME CLASS
FOR TAX YEAR 2010**



DISTRIBUTION BY FILING STATUS

Table 3 and Chart 2 show that married couples, whether filing separately or jointly, accounted for 41% of all filers in tax year 2010. They were responsible for 70% of total WAGI and 74% of total net tax liability. In contrast, single tax filers, though accounting for about the same share of filers as married couples, -- 42% -- were responsible for 23% of WAGI and 21% of liability. Dependent filers -- those who file a return because they have income but are claimed as dependents on someone else's tax return -- accounted for 7% of filers but had an insignificant share of WAGI and tax liability. Heads of household were 9% of filers and had 6% of total WAGI and 5% of tax.

**TABLE 3
DISTRIBUTION OF TAX FILERS, WAGI AND NET TAX LIABILITY BY FILING STATUS, TAX YEAR 2010**

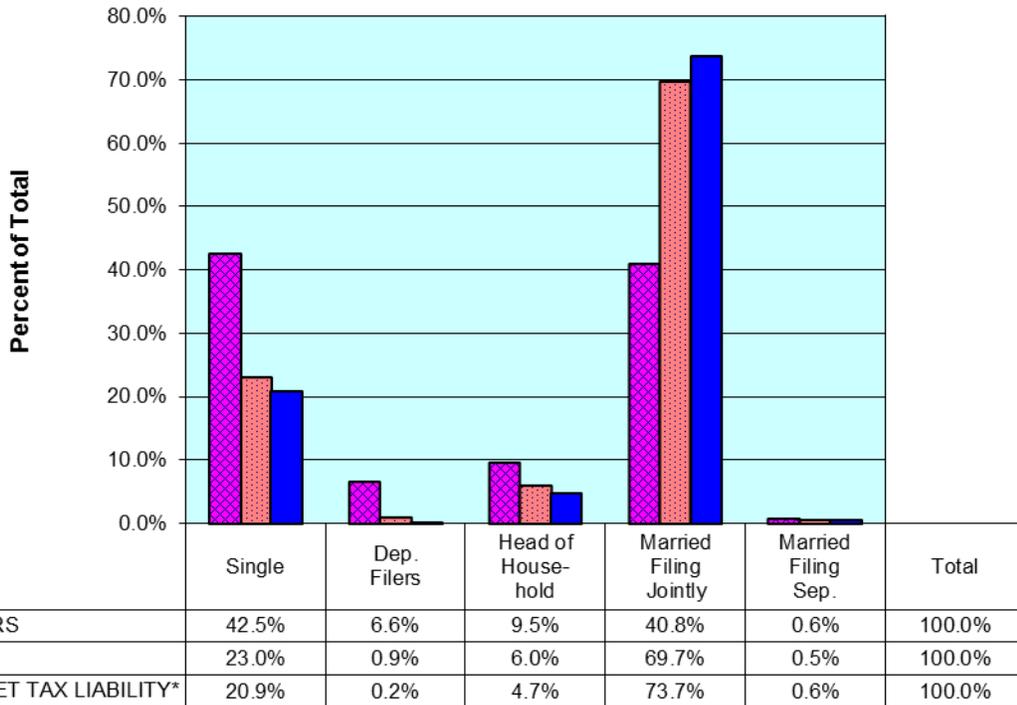
Filing Status	Tax filers		Wisconsin Adjusted Gross Income (WAGI)			Total Net Tax Liability*		Average Tax Rate** (%)
	Count	%	Total	%	Average	Total	%	
			(\$ million)		(\$)	(\$ million)		
Single	1,215,840	42.5%	31,083.9	23.0%	25,570	1,266.7	20.9%	4.1%
Dependent Filers	189,330	6.6	1,172.1	0.9	6,190	11.0	0.2	0.9
Head of Household	270,730	9.5	8,075.6	6.0	29,830	287.5	4.7	3.6
Married Filing Jointly	1,168,150	40.8	94,448.0	69.7	80,850	4,473.2	73.7	4.7
Married Filing Separately	18,380	0.6	649.7	0.5	35,340	33.5	0.6	5.2
Total	2,862,420	100.0%	135,429.3	100.0%	47,310	6,071.8	100.0%	4.5%

* Total net tax liability includes alternative minimum tax and nonrefundable credits, but not refundable credits.

**Net tax as percentage of WAGI.

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

**CHART 2
DISTRIBUTION OF TAX FILERS, WAGI AND NET TAX LIABILITY BY FILING STATUS, TAX YEAR 2010**



CREDITS

An income tax credit is a subtraction from gross tax liability. There are two kinds of credits: nonrefundable credits and refundable credits. Nonrefundable credits can only be used to reduce tax liability; in some cases unused amounts of credits can be carried forward for up to 15 years to offset tax liability. The three largest nonrefundable credits are the itemized deduction credit, the school property tax credit, and the married couple credit.

Itemized Deductions Credit

Unlike the federal income tax, the Wisconsin income tax does not allow itemized deductions. Instead, certain expenses are eligible for an itemized deduction credit. The credit equals 5% of the amount of eligible expenses in excess of the sliding scale standard deduction. Expenses qualifying for the credit include mortgage interest on a primary residence located in Wisconsin, charitable contributions, medical expenses in excess of 7.5% of the taxpayer's federal adjusted gross income, and certain casualty losses directly related to a federally declared disaster.

The distribution of the itemized deductions credit by income class is shown in Table 4. Out of a total of 2.86 million tax filers, about 721,000 (25%) claim the credit, but 697,000 have enough liability to use the credit. The percentage of filers within an income class using the credit tends to rise with income. While only 3% of filers with incomes below \$30,000 used the itemized deductions credit, close to 100% of filers with incomes of \$100,000 or more used the credit. The total amount of the used itemized deductions credit was \$302.9 million. About 93% of the credits used were accounted for by filers with WAGI exceeding \$50,000.

The itemized deductions credit primarily benefits higher-income filers for two reasons. First, the expenses that qualify for the credit, mortgage interest and charitable contributions, tend to be larger for persons with higher incomes. Second, expenses are eligible for the credit only to the extent that they exceed the standard deduction. The design of the sliding scale standard deduction ensures that the standard deduction is reduced as income increases. Thus, lower income filers have larger standard deductions that typically exceed their qualified itemized deductions, so they seldom claim the itemized deductions credit. By contrast, higher income filers are allowed only a small or no standard deduction. These filers tend to have a large amount of eligible expenses against which the 5% itemized deductions credit is applied.

DISTRIBUTION OF ITEMIZED DEDUCTIONS CREDIT BY WAGI CLASS, TAX YEAR 2010

WAGI Class	Tax Filers	Itemized Deductions Credit							
	Count	Total Claimed		Used Credit		Amount of Used Credit			% Used Amounts to claimed amounts
		Count	Amount (\$)	Count	% of filers in income class	(\$)	%	Average (\$)	
Less than \$0	56,850	4,310	4,011,500	0	0.0%	0	0.0%	-	0.0%
\$0 - <5,000	423,940	23,020	17,999,750	9,220	2.2	133,430	0.0	10	0.7
\$5,000 - <10,000	262,330	9,330	2,781,530	5,470	2.1	226,260	0.1	40	8.1
\$10,000 - <15,000	209,320	7,020	3,308,400	5,720	2.7	436,060	0.1	80	13.2
\$15,000 - <20,000	188,770	7,670	3,182,020	6,780	3.6	1,025,610	0.3	150	32.2
\$20,000 - <25,000	172,120	7,960	3,044,570	7,950	4.6	1,591,650	0.5	200	52.3
\$25,000 - <30,000	162,080	9,610	3,462,560	9,610	5.9	2,339,850	0.8	240	67.6
\$30,000 - <40,000	277,660	26,860	7,864,770	26,860	9.7	6,324,200	2.1	240	80.4
\$40,000 - <50,000	213,630	39,070	9,202,230	39,070	18.3	8,652,870	2.9	220	94.0
\$50,000 - <70,000	318,450	107,500	26,354,770	107,500	33.8	25,980,370	8.6	240	98.6
\$70,000 - <100,000	292,140	204,320	67,632,900	204,320	69.9	67,328,000	22.2	330	99.5
\$100,000 - <200,000	231,220	222,130	121,521,550	222,130	96.1	121,455,210	40.1	550	99.9
\$200,000 - <500,000	42,800	41,720	39,801,710	41,720	97.5	39,750,010	13.1	950	99.9
\$500,000 - 1,000,000	7,560	7,290	11,802,010	7,290	96.4	11,802,010	3.9	1,620	100.0
\$1,000,000 and over	3,530	3,350	15,849,210	3,350	94.8	15,849,210	5.2	4,730	100.0
TOTAL	2,862,420	721,160	337,819,470	696,990	24.3%	302,894,720	100.0%	430	89.7%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics

School Property Tax Credit

The school property tax credit for tax year 2010 is equal to 12% of the first \$2,500 of property taxes (or rent equivalent) paid on a principal residence, with a maximum credit of \$300. The rent equivalent of property tax is equal to 20% of rent if heat is included in the rent and 25% if the tenant paid for heat separately from his or her rent.

The school property tax credit has the highest participation rate of all the nonrefundable credits. As Table 5 shows, out of 2.86 million tax filers, 1.98 million (or 69%) claimed a total of \$463 million in credits: \$359 million in property tax credits and \$104 million in rent credits. (The total number of claimants is less than the sum of property tax credit claimants and rent credit claimants because some filers claim both credits if they were renters for part of the year and homeowners for the remainder of the year.) Because the credit is nonrefundable, some filers who claim it may not be able to fully use it because they do not have enough tax liability. As such, 1.65 million filers were able to use the credit, and the total amount of used credit was \$390 million, or 84% of the amount claimed.

Low-income filers were less likely to fully use their credit. Credits used are less than 1% of credits claimed for filers with WAGI less than \$10,000, but close to 100% for filers with WAGI of \$25,000 or more. Of the \$390 million in total used property tax/rent credit, 43% went to those with incomes of \$30,000 - \$70,000.

The \$2,500 cap on property taxes or rent equivalent that are eligible for the credit limits the value of the credit to upper-income filers who tend to live in homes with higher property values and thus pay higher property taxes. As seen in Table 5, filers with WAGI of \$100,000 or more had average credits that approach the \$300 maximum.

**TABLE 5
DISTRIBUTION OF SCHOOL PROPERTY TAX/RENT CREDIT BY WAGI CLASS, TAX YEAR 2010**

WAGI Class	Tax Filers	School Property Tax/Rent Credit							
	Count	Property Tax Credit Claimed			Rent Credit Claimed			Total Credit Claimed	
		Count	Amount (\$)	Average (\$)	Count	Amount (\$)	Average (\$)	Count	Amount (\$)
Less than \$0	56,850	16,180	3,735,900	230	3,790	596,150	160	19,680	4,332,050
\$0 - <5,000	423,940	65,670	15,326,420	230	67,840	8,936,070	130	130,990	24,262,480
\$5,000 - <10,000	262,330	48,450	11,400,920	240	63,000	7,907,450	130	109,590	19,308,370
\$10,000 - <15,000	209,320	47,240	11,078,130	230	71,440	9,466,620	130	116,660	20,544,750
\$15,000 - <20,000	188,770	53,080	12,513,210	240	70,920	10,290,320	150	121,620	22,803,530
\$20,000 - <25,000	172,120	54,530	12,793,590	230	67,520	10,342,250	150	119,390	23,135,840
\$25,000 - <30,000	162,080	62,510	14,924,600	240	61,080	9,875,370	160	120,750	24,799,960
\$30,000 - <40,000	277,660	133,610	32,759,280	250	94,290	16,354,570	170	222,200	49,113,840
\$40,000 - <50,000	213,630	129,980	32,954,010	250	57,260	10,727,260	190	182,520	43,681,270
\$50,000 - <70,000	318,450	239,350	63,646,420	270	55,240	11,239,010	200	287,960	74,885,430
\$70,000 - <100,000	292,140	254,320	71,230,470	280	25,150	5,446,070	220	274,730	76,676,540
\$100,000 - <200,000	231,220	213,950	62,297,440	290	9,330	2,079,740	220	220,720	64,377,180
\$200,000 - <500,000	42,800	38,920	11,472,340	290	1,090	261,660	240	39,750	11,734,000
\$500,000 - 1,000,000	7,560	6,710	1,990,430	300	130	31,050	250	6,810	2,021,470
\$1,000,000 and over	3,530	2,980	886,750	300	50	12,120	260	3,030	898,860
TOTAL	2,862,420	1,367,480	359,009,890	260	648,110	103,565,680	160	1,976,410	462,575,570

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

TABLE 5 (continued)

DISTRIBUTION OF SCHOOL PROPERTY TAX/RENT CREDIT BY WAGI CLASS FOR TAX YEAR 2010

WAGI Class	Total Credit Used		Amount of Used Credit			% Used Amounts to claimed amounts
	Count	% of filers in income class	Amount (\$)	% of Total Used	Average (\$)	
Less than \$0	0	0.0%	0	0.0%	-	0.0%
\$0 - <5,000	2,570	0.6	41,630	0.0	20	0.2
\$5,000 - <10,000	4,970	1.9	149,500	0.0	30	0.8
\$10,000 - <15,000	70,550	33.7	5,972,390	1.5	80	29.1
\$15,000 - <20,000	99,790	52.9	15,229,290	3.9	150	66.8
\$20,000 - <25,000	118,210	68.7	21,028,800	5.4	180	90.9
\$25,000 - <30,000	120,140	74.1	24,545,950	6.3	200	99.0
\$30,000 - <40,000	221,620	79.8	48,908,640	12.5	220	99.6
\$40,000 - <50,000	182,310	85.3	43,609,340	11.2	240	99.8
\$50,000 - <70,000	287,790	90.4	74,830,440	19.2	260	99.9
\$70,000 - <100,000	274,690	94.0	76,663,810	19.7	280	100.0
\$100,000 - <200,000	220,710	95.5	64,373,630	16.5	290	100.0
\$200,000 - <500,000	39,740	92.9	11,732,270	3.0	300	100.0
\$500,000 - 1,000,000	6,810	90.0	2,021,470	0.5	300	100.0
\$1,000,000 and over	3,030	85.6	898,860	0.2	300	100.0
TOTAL	1,652,920	57.7%	390,006,020	100.0%	240	84.3%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

Married Couple Credit

A married couple credit is available to married couples filing jointly where both spouses are employed. The purpose of the credit is to offset the marriage tax penalty that may occur due to the structure of the state's income tax. In Wisconsin, a married couple may pay taxes that are higher than their combined liability would be if they had each filed as a single taxpayer.

For tax year 2020, the credit equaled 3% of the first \$16,000 of the earned income of the lower-earning spouse, with a maximum credit of \$480. Earned income includes wages, salaries, tips or other employee compensation and net earnings from self-employment, reduced by any net loss from self-employment and by deductions for Keogh or individual retirement accounts. Married couples must file jointly in order to claim the married couple credit.

About 57% of all married joint filers used the credit in 2010, as Table 6 shows. About 668,000 married couples were able to use a total of \$259 million in credits to lower their tax liability. Most of the benefits of the married couple credit go to the upper middle income class, with 67% of the used credits going to those with incomes of \$70,000 or more.

TABLE 6

DISTRIBUTION OF MARRIED COUPLE CREDIT BY WAGI CLASS, TAX YEAR 2010

WAGI Class	Married Joint Filers	Married Couple Credit							
		Total Claimed		Used Credit				% Used Amounts to Claimed Amounts	
	Count	Count	Amount (\$)	Count	% of filers in income class	Amount (\$)	% of Total Used		Average (\$)
Less than \$0	13,700	1,380	324,310	20	0.2%	5,630	0.0%	270	1.7%
\$0 - <5,000	57,770	2,660	247,610	270	0.5	17,760	0.0	70	7.2
\$5,000 - <10,000	36,860	4,560	361,120	390	1.1	28,480	0.0	70	7.9
\$10,000 - <15,000	40,170	7,100	740,930	530	1.3	56,440	0.0	110	7.6
\$15,000 - <20,000	38,690	9,070	1,241,740	1,010	2.6	101,270	0.0	100	8.2
\$20,000 - <25,000	38,400	11,200	1,808,420	6,350	16.5	622,250	0.2	100	34.4
\$25,000 - <30,000	45,070	14,530	2,760,970	14,230	31.6	2,250,660	0.9	160	81.5
\$30,000 - <40,000	94,440	39,490	9,638,950	39,360	41.7	9,538,500	3.7	240	99.0
\$40,000 - <50,000	95,990	53,350	16,606,470	53,330	55.6	16,592,500	6.4	310	99.9
\$50,000 - <70,000	204,560	145,410	55,110,640	145,390	71.1	55,101,340	21.3	380	100.0
\$70,000 - <100,000	243,830	199,930	84,905,340	199,920	82.0	84,901,980	32.8	420	100.0
\$100,000 - <200,000	210,910	177,130	77,838,370	177,130	84.0	77,837,640	30.1	440	100.0
\$200,000 - <500,000	38,180	25,180	10,231,510	25,180	66.0	10,231,510	4.0	410	100.0
\$500,000 - 1,000,000	6,580	3,190	1,191,220	3,190	48.6	1,191,220	0.5	370	100.0
\$1,000,000 and over	3,000	1,220	447,950	1,220	40.5	447,950	0.2	370	100.0
TOTAL	1,168,150	695,410	263,455,550	667,520	57.1%	258,925,110	100.0%	390	98.3%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

Working Families' Credit

The working families' credit, introduced in tax year 1998, eliminates Wisconsin income tax for single persons with \$9,000 or less of income and for married couples with income of \$18,000 or less. The credit is phased out over the next \$1,000 of income above these thresholds. In tax year 2010, while 1025 filers claimed the credit, only 943 filers benefited from it, at a total cost to the state of approximately \$190,000 (see Table 7).

The credit has declined over the years as other provisions of the income tax code have made it redundant. In particular, the standard deduction, which was raised substantially in tax year 2000 and indexed for inflation for subsequent years, has had more impact on lowering the tax burden of families.

In 1998, when the working families' credit first took effect, the maximum standard deduction for singles was \$5,200, phasing down to zero at \$50,830 of income. The maximum standard deduction for married joint filers was \$8,900, phasing down to zero at \$55,000 of income. In contrast, for tax year 2010, the maximum standard deduction for singles was \$9,300 phasing down to zero at \$90,910 of income. For married joint filers the maximum standard deduction was \$16,750, phasing down to zero at \$103,510 of income. In addition, a single filer received a \$700 personal exemption and a married couple received two exemptions totaling \$1,400 in 2010. In 1998, there were no personal exemptions.

Thus, whereas a single filer with income of \$10,000 had a standard deduction of \$4,990 in tax year 1998, he or she could claim the maximum deduction of \$9,300 plus a personal exemption of \$700 in 2010, reducing taxable income to \$0. A married couple with \$18,000 of income had their standard deduction increased from \$7,268 in 1998 to \$16,750 in 2010, and received exemptions of \$1,400 in 2010 for a total reduction of \$18,150. Indexing of the maximum standard deduction and its phase-out range will continue to reduce the relevance of the working families' credit, since income thresholds and ceilings for the credit are not indexed for inflation.

The decline in the working families' credit has been dramatic. In tax year 1998, the amount of credit used totaled \$15.6 million for 140,000 tax filers. In 2000, when the standard deduction was greatly expanded and the personal exemption created, the number of filers who used the credit had dropped to 32,700 and the amount to \$1.5 million. With indexing of the standard deduction and an increase in the personal exemption, the 2010 usage of the working families' credit declined further to 943 filers and \$190,000.

**TABLE 7
DISTRIBUTION OF WORKING FAMILIES TAX CREDIT BY WAGI CLASS, TAX YEAR 2010**

WAGI CLASS	TAXFILERS	WORKING FAMILIES TAX CREDIT							
	Count	Total Claimed		Used Credit				% Used Amt. to claimed amounts	
		Count	Amount (\$)	Count	as % of filers in income class	Amount (\$)	%		Aver.\$
Less than \$0	56,850	-	-	-	-	-	-	-	-
\$0 - <5,000	423,940	120	16,080	90	0.0%	8,850	4.7%	100	55.0%
\$5,000 - <10,000	262,330	300	45,620	260	0.1%	36,890	19.5%	140	80.9%
\$10,000 - <15,000	209,320	160	70,210	150	0.1%	64,400	34.0%	430	91.7%
\$15,000 - <20,000	188,770	450	84,590	440	0.2%	79,080	41.8%	180	93.5%
\$20,000 - <25,000	172,120	-	-	-	-	-	-	-	-
\$25,000 - <30,000	162,080	-	-	-	-	-	-	-	-
\$30,000 - <40,000	277,660	-	-	-	-	-	-	-	-
\$40,000 - <50,000	213,630	-	-	-	-	-	-	-	-
\$50,000 - <70,000	318,450	-	-	-	-	-	-	-	-
\$70,000 - <100,000	292,140	-	-	-	-	-	-	-	-
\$100,000 - <200,000	231,220	-	-	-	-	-	-	-	-
\$200,000 - <500,000	42,800	-	-	-	-	-	-	-	-
\$500,000 - 1,000,000	7,560	-	-	-	-	-	-	-	-
\$1,000,000 and over	3,530	-	-	-	-	-	-	-	-
TOTAL	2,862,420	1,030	216,490	940	0.0%	189,230	0.0%	200	0.0%

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

Other Nonrefundable Credits

Tables 8A – 8L provide information on the remaining nonrefundable credits. The film production services credit, the film production company investment credit, the health insurance risk sharing assessment credit, the Internet equipment credit, the water consumption credit, and the jobs tax credit are also available, but they are not included in the discussion. In each case 10 or fewer individuals used the credits. For confidentiality purposes, the used credit values have been rounded to the nearest ten and particularly small numbers have been suppressed.

The armed forces member tax credit (see Table 8A) provides up to \$300 for military pay received for service while stationed outside the United States. It benefited 5,270 filers at a cost of \$1.4 million. About 76% of the credit went to filers with incomes below \$40,000.

**TABLE 8A
DISTRIBUTION OF ARMED FORCES MEMBER TAX CREDIT BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers		Used Armed Forces Member Tax Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	20	0.01%	2,580	0.18%	120
\$10,000 - <15,000	209,320	690	0.33%	85,180	6.05%	120
\$15,000 - <20,000	188,770	820	0.44%	224,250	15.93%	270
\$20,000 - <25,000	172,120	960	0.56%	262,700	18.66%	270
\$25,000 - <30,000	162,080	790	0.49%	234,440	16.65%	300
\$30,000 - <40,000	277,660	870	0.31%	264,780	18.80%	310
\$40,000 - <50,000	213,630	410	0.19%	127,210	9.03%	310
\$50,000 - <70,000	318,450	380	0.12%	115,090	8.17%	300
\$70,000 - <100,000	292,140	200	0.07%	56,530	4.01%	290
\$100,000 - <200,000	231,220	120	0.05%	34,160	2.43%	290
\$200,000 - <500,000	42,800	S	S	S	S	S
\$500,000 - <1,000,000	7,560	-	0.00%	-	0.00%	-
\$1,000,000 and over	3,530	-	0.00%	-	0.00%	-
TOTAL	2,862,420	5,270	0.18%	1,408,080	100.0%	270

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The manufacturer's sales tax credit (see Table 8B) benefited 20 filers who were able to reduce their tax liability by \$54,000 for an average credit of \$2,690. The credit was repealed effective for tax years that begin after December 31, 2005 and was replaced with a sales tax exemption, but carryforward credit claims are still allowed.

**TABLE 8B
DISTRIBUTION OF MANUFACTURER'S SALES TAX CREDIT BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers		Used Manufacturer's Sales Tax Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	-	0.00%	-	0.00%	-
\$5,000 - <10,000	262,330	S	S	S	S	S
\$10,000 - <15,000	209,320	S	S	S	S	S
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	-	0.00%	-	0.00%	-
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	-	0.00%	-	0.00%	-
\$40,000 - <50,000	213,630	S	S	S	S	S
\$50,000 - <70,000	318,450	-	0.00%	-	0.00%	-
\$70,000 - <100,000	292,140	S	S	S	S	S
\$100,000 - <200,000	231,220	S	S	S	S	S
\$200,000 - <500,000	42,800	M	M	12,040	22.35%	M
\$500,000 - <1,000,000	7,560	S	S	S	S	S
\$1,000,000 and over	3,530	S	S	S	S	S
TOTAL	2,862,420	20	0.00%	53,870	100.0%	2,690

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The historic credit (see Table 8C) was used by 600 tax filers, totaling \$1.5 million for an average credit of \$2,580. Filers with income of \$70,000 or more accounted for 90% of the credit amount.

**TABLE 8C
DISTRIBUTION OF HISTORIC CREDIT BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers	Used Historic Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	-	0.00%	-	0.00%	-
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	S	S	S	S	S
\$15,000 - <20,000	188,770	10	0.01%	2,190	0.14%	200
\$20,000 - <25,000	172,120	10	0.01%	3,110	0.20%	220
\$25,000 - <30,000	162,080	30	0.02%	9,970	0.65%	380
\$30,000 - <40,000	277,660	30	0.01%	17,140	1.11%	520
\$40,000 - <50,000	213,630	30	0.02%	19,500	1.26%	570
\$50,000 - <70,000	318,450	80	0.03%	95,860	6.22%	1,180
\$70,000 - <100,000	292,140	110	0.04%	171,870	11.14%	1,580
\$100,000 - <200,000	231,220	160	0.07%	463,000	30.02%	2,890
\$200,000 - <500,000	42,800	100	0.24%	486,040	31.51%	4,670
\$500,000 - <1,000,000	7,560	20	0.21%	146,620	9.51%	9,160
\$1,000,000 and over	3,530	M	M	126,490	8.20%	M
TOTAL	2,862,420	600	0.02%	1,542,370	100.0%	2,580

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The development zone credits (see Table 8D) benefited 150 tax filers at a cost of \$2.4 million for an average credit of \$16,290. About 97% of this credit went to filers with income of \$200,000 or more, and 83% of this credit went to filers with income of \$1 million or more.

**TABLE 8D
DISTRIBUTION OF DEVELOPMENT ZONE CREDITS BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers		Used Development Zone Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	S	S	S	S	S
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	S	S	S	S	S
\$40,000 - <50,000	213,630	S	S	S	S	S
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	10	0.00%	15,540	0.65%	1,410
\$100,000 - <200,000	231,220	20	0.01%	43,030	1.80%	2,150
\$200,000 - <500,000	42,800	30	0.07%	137,340	5.73%	4,580
\$500,000 - <1,000,000	7,560	30	0.36%	202,880	8.47%	7,510
\$1,000,000 and over	3,530	50	1.27%	1,984,470	82.87%	44,100
TOTAL	2,862,420	150	0.01%	2,394,720	100.0%	16,290

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The dairy and livestock farm investment credit (see Table 8E) was used by 6,460 tax filers at a cost of \$12.0 million. The average credit was \$1,860. The credit was created in tax year 2004 and expanded to include livestock farms in tax year 2006. Individuals may carry forward unused credits for 15 years. Current unused credit carry forwards have accumulated to \$73 million.

TABLE 8E
DISTRIBUTION OF DAIRY AND LIVESTOCK FARM INVESTMENT CREDIT BY WAGI CLASS FOR TAX YEAR 2010

WAGI Class	Tax filers	Used Dairy and Livestock Farm Investment Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	S	S	S	S	S
\$0 - <5,000	423,940	20	0.00%	74,020	0.62%	3,520
\$5,000 - <10,000	262,330	M	M	7,590	0.06%	M
\$10,000 - <15,000	209,320	140	0.07%	15,480	0.13%	110
\$15,000 - <20,000	188,770	190	0.10%	48,460	0.40%	260
\$20,000 - <25,000	172,120	430	0.25%	111,940	0.93%	260
\$25,000 - <30,000	162,080	590	0.36%	222,410	1.85%	380
\$30,000 - <40,000	277,660	1,070	0.39%	753,010	6.26%	700
\$40,000 - <50,000	213,630	900	0.42%	1,068,020	8.88%	1,190
\$50,000 - <70,000	318,450	1,280	0.40%	2,278,470	18.93%	1,780
\$70,000 - <100,000	292,140	920	0.32%	2,509,630	20.85%	2,720
\$100,000 - <200,000	231,220	720	0.31%	3,345,360	27.80%	4,630
\$200,000 - <500,000	42,800	170	0.39%	1,392,260	11.57%	8,440
\$500,000 - <1,000,000	7,560	20	0.26%	171,590	1.43%	8,580
\$1,000,000 and over	3,530	S	S	S	S	S
TOTAL	2,862,420	6,460	0.23%	12,034,020	100.0%	1,860

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The angel investment credit (see Table 8F) benefited 350 tax filers at a cost of \$2.8 million for an average credit of \$7,940. About 94% of this credit went to filers with income of \$100,000 or more, and 57% of this credit went to filers with income of \$500,000 or more.

TABLE 8F
DISTRIBUTION OF ANGEL INVESTMENT CREDIT BY WAGI CLASS FOR TAX YEAR 2010

WAGI Class	Tax filers		Used Angel Investment Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	S	S	S	S	S
\$10,000 - <15,000	209,320	S	S	S	S	S
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	-	0.00%	-	0.00%	-
\$30,000 - <40,000	277,660	M	M	4,890	0.18%	M
\$40,000 - <50,000	213,630	10	0.01%	22,720	0.82%	1,750
\$50,000 - <70,000	318,450	20	0.01%	40,240	1.45%	2,370
\$70,000 - <100,000	292,140	20	0.01%	60,620	2.19%	3,030
\$100,000 - <200,000	231,220	80	0.04%	359,280	12.97%	4,380
\$200,000 - <500,000	42,800	90	0.21%	653,770	23.60%	7,180
\$500,000 - <1,000,000	7,560	60	0.73%	671,490	24.24%	12,210
\$1,000,000 and over	3,530	50	1.41%	917,130	33.11%	18,340
TOTAL	2,862,420	350	0.01%	2,770,140	100.0%	7,940

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The seed investment credit (see Table 8G) was used by 260 tax filers at a cost of \$1.0 million. The average credit was \$3,890. Filers with incomes of \$200,000 or more accounted for 77% of the credit amount.

**TABLE 8G
DISTRIBUTION OF SEED INVESTMENT CREDIT BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers		Used Seed Investment Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	S	S	S	S	S
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	S	S	S	S	S
\$40,000 - <50,000	213,630	M	M	8,590	0.85%	M
\$50,000 - <70,000	318,450	10	0.00%	14,300	1.42%	1,300
\$70,000 - <100,000	292,140	20	0.01%	51,370	5.09%	2,570
\$100,000 - <200,000	231,220	50	0.02%	148,280	14.70%	3,150
\$200,000 - <500,000	42,800	70	0.16%	276,490	27.41%	4,010
\$500,000 - <1,000,000	7,560	50	0.62%	254,590	25.24%	5,420
\$1,000,000 and over	3,530	50	1.33%	247,820	24.57%	5,270
TOTAL	2,862,420	260	0.01%	1,008,680	100.0%	3,890

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The technology zone credit (see Table 8H) was used by 70 tax filers at a cost of \$0.5 million. The average credit was \$6,920. Filers with incomes of \$200,000 or more accounted for 94% of the credit amount.

**TABLE 8H
DISTRIBUTION OF TECHNOLOGY ZONE CREDIT BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers		Used Technology Zone Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	-	0.00%	-	0.00%	-
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	-	0.00%	-	0.00%	-
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	-	0.00%	-	0.00%	-
\$40,000 - <50,000	213,630	-	0.00%	-	0.00%	-
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	S	S	S	S	S
\$100,000 - <200,000	231,220	10	0.01%	17,080	3.74%	1,420
\$200,000 - <500,000	42,800	30	0.07%	132,230	28.96%	4,410
\$500,000 - <1,000,000	7,560	M	M	143,190	31.36%	M
\$1,000,000 and over	3,530	M	M	152,390	33.37%	M
TOTAL	2,862,420	70	0.00%	456,620	100.0%	6,920

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The Ethanol and Biodiesel Fuel Pump credit (see Table 8I) was used by 30 tax filers at a cost of \$41,000. The average credit was \$1,280.

TABLE 8I
DISTRIBUTION OF ETHANOL AND BIODIESEL FUEL PUMP CREDIT BY WAGI CLASS FOR TAX
YEAR 2010

WAGI Class	Tax filers	Used Ethanol and Biodiesel Fuel Pump Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	-	0.00%	-	0.00%	-
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	-	0.00%	-	0.00%	-
\$25,000 - <30,000	162,080	-	0.00%	-	0.00%	-
\$30,000 - <40,000	277,660	S	S	S	S	S
\$40,000 - <50,000	213,630	S	S	S	S	S
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	S	S	S	S	S
\$100,000 - <200,000	231,220	S	S	S	S	S
\$200,000 - <500,000	42,800	M	M	2,970	7.26%	M
\$500,000 - <1,000,000	7,560	M	M	5,950	14.55%	M
\$1,000,000 and over	3,530	M	M	14,640	35.79%	M
TOTAL	2,862,420	30	0.00%	40,900	100.0%	1,280

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The manufacturing investment credit (see Table 8J) was used by 210 tax filers at a cost of \$480,000. The average credit was \$2,290. Filers with incomes of \$1,000,000 or more accounted for 83% of the credit amount.

**TABLE 8J
DISTRIBUTION OF MANUFACTURING INVESTMENT CREDIT BY WAGI CLASS FOR TAX YEAR 2010**

WAGI Class	Tax filers	Used Manufacturing Investment Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	S	S	S	S	S
\$10,000 - <15,000	209,320	M	M	190	0.04%	M
\$15,000 - <20,000	188,770	S	S	S	S	S
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	S	S	S	S	S
\$40,000 - <50,000	213,630	-	0.00%	-	0.00%	-
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	20	0.01%	360	0.08%	20
\$100,000 - <200,000	231,220	40	0.02%	8,320	1.73%	210
\$200,000 - <500,000	42,800	50	0.12%	33,670	7.00%	660
\$500,000 - <1,000,000	7,560	20	0.32%	37,460	7.79%	1,560
\$1,000,000 and over	3,530	50	1.33%	400,390	83.27%	8,520
TOTAL	2,862,420	210	0.01%	480,830	100.0%	2,290

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The economic development credit (see Table 8K) was used by 130 tax filers at a cost of \$1.7 million. The average credit was \$12,840. Filers with incomes of \$500,000 or more accounted for 82% of the credit amount.

TABLE 8K
DISTRIBUTION OF THE ECONOMIC DEVELOPMENT CREDIT BY WAGI CLASS FOR TAX YEAR 2010

WAGI Class	Tax filers	Used Economic Development Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	M	M	330	0.02%	M
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	-	0.00%	-	0.00%	-
\$30,000 - <40,000	277,660	-	0.00%	-	0.00%	-
\$40,000 - <50,000	213,630	S	S	S	S	S
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	S	S	S	S	S
\$100,000 - <200,000	231,220	20	0.01%	70,560	4.16%	3,710
\$200,000 - <500,000	42,800	40	0.08%	216,650	12.78%	6,190
\$500,000 - <1,000,000	7,560	20	0.30%	283,490	16.73%	12,330
\$1,000,000 and over	3,530	40	1.02%	1,109,160	65.44%	30,810
TOTAL	2,862,420	130	0.00%	1,695,030	100.00%	12,840

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The post-secondary education credit (see Table 8L) was used by 120 tax filers at a cost of \$0.3 million. The average credit was \$2,300. The credit is new for tax year 2010 and is based on a percentage of the tuition paid by a business for an individual to participate in a qualified post-secondary education program.

**TABLE 8L
DISTRIBUTION OF THE POST-SECONDARY EDUCATION CREDIT BY WAGI CLASS FOR TAX YEAR
2010**

WAGI Class	Tax filers	Used Post-Secondary Education Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	56,850	-	0.00%	-	0.00%	-
\$0 - <5,000	423,940	M	M	28,960	9.98%	M
\$5,000 - <10,000	262,330	S	S	S	S	S
\$10,000 - <15,000	209,320	S	S	S	S	S
\$15,000 - <20,000	188,770	M	M	26,440	9.11%	M
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	20	0.01%	28,560	9.84%	1,430
\$40,000 - <50,000	213,630	20	0.01%	54,950	18.93%	3,660
\$50,000 - <70,000	318,450	30	0.01%	55,350	19.07%	2,130
\$70,000 - <100,000	292,140	20	0.01%	25,180	8.68%	1,680
\$100,000 - <200,000	231,220	20	0.01%	36,270	12.50%	2,270
\$200,000 - <500,000	42,800	-	0.00%	-	0.00%	-
\$500,000 - <1,000,000	7,560	-	0.00%	-	0.00%	-
\$1,000,000 and over	3,530	-	0.00%	-	0.00%	-
TOTAL	2,862,420	120	0.00%	290,240	100.0%	2,340

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

REFUNDABLE CREDITS

Wisconsin income tax law allows individuals to claim several refundable credits. These are the earned income tax credit, the homestead credit, the farmland preservation credit, the veterans' and surviving spouses' property tax credit, the dairy manufacturing facility credit, the dairy cooperative credit, the meat processing facility investment credit, the enterprise zone jobs credit, the film production services credit, the film production company investment credit, the woody biomass harvesting and processing credit, and the food processing and food warehouse investment credit.

The underlined credits are discussed in greater detail in separate reports which can be found on the Department of Revenue's website. Tables 9A through 9F provide information on the remaining credits.¹ For confidentiality purposes, the credit values have been rounded to the nearest ten and particularly small numbers have been suppressed.

The Veterans' and Surviving Spouses' Property Tax Credit was created in tax year 2005. As shown in Table 9A, 5,050 tax filers claimed the credit in tax year 2010 at a total cost to the state of \$14.9 million. Seventy five percent of the credit was used by claimants with income below \$40,000. The average credit was \$2,950.

**TABLE 9A
VETERANS' AND SURVIVING SPOUSES' PROPERTY TAX CREDIT, BY INCOME CLASS, TAX YEAR
2010**

WAGI CLASS	ALL TAXFILERS		VETERANS' AND SURVIVING SPOUSES' PROPERTY TAX CREDIT			
	Count	Number of Participants		Amount		Aver. Credit (\$)
		Count	as % of filers in income class	(\$)	%	
Less than \$0	56,850	170	0.30%	491,200	3.30%	2,860
\$0 - <5,000	423,940	1,620	0.38%	4,121,200	27.67%	2,540
\$5,000 - <10,000	262,330	480	0.18%	1,315,010	8.83%	2,720
\$10,000 - <15,000	209,320	400	0.19%	1,125,150	7.55%	2,850
\$15,000 - <20,000	188,770	350	0.19%	1,019,950	6.85%	2,880
\$20,000 - <25,000	172,120	270	0.16%	816,520	5.48%	3,060
\$25,000 - <30,000	162,080	290	0.18%	831,890	5.59%	2,920
\$30,000 - <40,000	277,660	460	0.16%	1,431,810	9.61%	3,140
\$40,000 - <50,000	213,630	300	0.14%	1,012,210	6.80%	3,350
\$50,000 - <70,000	318,450	390	0.12%	1,372,960	9.22%	3,560
\$70,000 - <100,000	292,140	210	0.07%	783,050	5.26%	3,780
\$100,000 - <200,000	231,220	100	0.04%	477,310	3.20%	4,680
\$200,000 - <500,000	42,800	20	0.04%	95,400	0.64%	6,360
\$500,000 - 1,000,000	7,560	-	0.00%	-	0.00%	-
\$1,000,000 and over	3,530	-	0.00%	-	0.00%	-
TOTAL	2,862,420	5,050	0.18%	14,893,640	100.00%	2,950

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

¹ The Enterprise Zone Jobs Credit, the Film Production Company Investment Credit and Woody Biomass Harvesting and Processing Credit are also available, but they are not included in the discussion. Fewer than 10 individuals used the credits in tax year 2010.

The dairy manufacturing facility credit was created in tax year 2007. As shown in Table 9B the credit is targeted at a relatively small number of taxpayers. Only 250 tax filers claimed the credit in tax year 2010 at a total cost to the state of \$451,000. The average credit was \$1,800.

**TABLE 9B
DAIRY MANUFACTURING FACILITY CREDIT, BY INCOME CLASS, TAX YEAR 2010**

WAGI CLASS	DAIRY MANUFACTURING FACILITY CREDIT					
	ALL TAXFILERS	Number of Participants		Amount		Aver. Credit (\$)
	Count	Count	as % of filers in income class	(\$)	%	
Less than \$0	56,850	40	0.06%	46,640	10.35%	1,300
\$0 - <5,000	423,940	10	0.00%	10,340	2.29%	860
\$5,000 - <10,000	262,330	10	0.00%	9,190	2.04%	770
\$10,000 - <15,000	209,320	10	0.01%	2,080	0.46%	190
\$15,000 - <20,000	188,770	10	0.01%	3,230	0.72%	250
\$20,000 - <25,000	172,120	10	0.01%	4,870	1.08%	440
\$25,000 - <30,000	162,080	10	0.01%	1,170	0.26%	110
\$30,000 - <40,000	277,660	10	0.01%	4,080	0.91%	290
\$40,000 - <50,000	213,630	20	0.01%	5,370	1.19%	340
\$50,000 - <70,000	318,450	30	0.01%	4,700	1.04%	190
\$70,000 - <100,000	292,140	20	0.01%	3,240	0.72%	200
\$100,000 - <200,000	231,220	10	0.00%	22,180	4.92%	2,020
\$200,000 - <500,000	42,800	10	0.03%	25,740	5.71%	2,340
\$500,000 - 1,000,000	7,560	20	0.20%	46,290	10.27%	3,090
\$1,000,000 and over	3,530	40	1.05%	261,650	58.05%	7,070
TOTAL	2,862,420	250	0.01%	450,770	100.00%	1,800

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

The dairy cooperative credit was created in tax year 2009. The credit is computed by the cooperative and is allocated to the patrons of the cooperative. As Shown in Table 9C, 470 tax filers claimed the credit at a cost of \$227,000.

**TABLE 9C
DAIRY COOPERATIVE CREDIT, BY INCOME CLASS, TAX YEAR 2010**

WAGI CLASS	ALL TAXFILERS		DAIRY COOPERATIVES CREDIT			Aver. Credit (\$)
	Count	Number of Participants		Amount		
		Count	as % of filers in income class	(\$)	%	
Less than \$0	56,850	80	0.14%	63,160	27.78%	800
\$0 - <5,000	423,940	20	0.00%	21,160	9.31%	1,010
\$5,000 - <10,000	262,330	20	0.01%	4,930	2.17%	210
\$10,000 - <15,000	209,320	30	0.01%	6,790	2.99%	240
\$15,000 - <20,000	188,770	40	0.02%	10,970	4.82%	310
\$20,000 - <25,000	172,120	30	0.02%	7,070	3.11%	240
\$25,000 - <30,000	162,080	30	0.02%	6,860	3.02%	230
\$30,000 - <40,000	277,660	50	0.02%	7,340	3.23%	160
\$40,000 - <50,000	213,630	30	0.01%	8,740	3.84%	270
\$50,000 - <70,000	318,450	60	0.02%	14,630	6.44%	240
\$70,000 - <100,000	292,140	40	0.01%	13,850	6.09%	320
\$100,000 - <200,000	231,220	40	0.02%	36,560	16.08%	1,040
\$200,000 - <500,000	42,800	M	0.01%	23,190	10.20%	3,860
\$500,000 - 1,000,000	7,560	S	S	S	S	S
\$1,000,000 and over	3,530	-	0.00%	-	0.00%	-
TOTAL	2,862,420	470	0.02%	227,330	100.00%	480

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Table 9D reports the income distribution of the meat processing facility investment credit claimants. Seventy tax filers claimed the credit in 2010 at a cost of \$327,000.

TABLE 9D
MEAT PROCESSING FACILITY INVESTMENT CREDIT, BY INCOME CLASS, TAX YEAR 2010

WAGI CLASS	ALL TAXFILERS		MEAT PROCESSING FACILITY INVESTMENT CREDIT			Aver. Credit (\$)
	Count	Number of Participants		Amount		
		Count	as % of filers in income class	(\$)	%	
Less than \$0	56,850	S	S	S	S	S
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	S	S	S	S	S
\$10,000 - <15,000	209,320	S	S	S	S	S
\$15,000 - <20,000	188,770	S	S	S	S	S
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	-	0.00%	-	0.00%	-
\$40,000 - <50,000	213,630	S	S	S	S	S
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	S	S	S	S	S
\$100,000 - <200,000	231,220	M	0.00%	5,360	1.64%	770
\$200,000 - <500,000	42,800	10	0.03%	47,520	14.54%	3,390
\$500,000 - 1,000,000	7,560	10	0.16%	46,040	14.09%	3,840
\$1,000,000 and over	3,530	M	0.25%	123,320	37.74%	13,700
TOTAL	2,862,420	70	0.00%	326,760	100.00%	4,670

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Table 9E reports the income distribution of the film production services credit claimants. Ninety tax filers claimed the credit in 2010 at a cost of \$162,000.

TABLE 9E
FILM PRODUCTION SERVICES CREDIT, BY INCOME CLASS, TAX YEAR 2010

WAGI CLASS	ALL TAXFILERS	FILM PRODUCTION SERVICES INVESTMENT CREDIT				Aver. Credit (\$)
		Number of Participants		Amount		
	Count	Count	as % of filers in income class	(\$)	%	
Less than \$0	56,850	S	S	S	S	S
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	-	0.00%	-	0.00%	-
\$20,000 - <25,000	172,120	S	S	S	S	S
\$25,000 - <30,000	162,080	-	0.00%	-	0.00%	-
\$30,000 - <40,000	277,660	-	0.00%	-	0.00%	-
\$40,000 - <50,000	213,630	S	S	S	S	S
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	M	0.00%	2,860	1.77%	480
\$100,000 - <200,000	231,220	20	0.01%	47,970	29.69%	2,660
\$200,000 - <500,000	42,800	20	0.05%	71,910	44.51%	3,130
\$500,000 - 1,000,000	7,560	20	0.28%	22,670	14.03%	1,080
\$1,000,000 and over	3,530	20	0.42%	11,240	6.96%	750
TOTAL	2,862,420	90	0.00%	161,570	100.00%	1,720

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Table 9F reports the income distribution of the food processing plant and food warehouse investment credit claimants. One hundred tax filers claimed the credit in 2010 at a cost of \$883,000.

TABLE 9F
FOOD PROCESSING PLANT AND FOOD WAREHOUSE INVESTMENT CREDIT, BY INCOME CLASS,
TAX YEAR 2010

WAGI CLASS	ALL TAXFILERS Count	FOOD PROCESSING PLANT AND FOOD WAREHOUSE INVESTMENT CREDIT				Aver. Credit (\$)
		Number of Participants		Amount		
		Count	as % of filers in income class	(\$)	%	
Less than \$0	56,850	S	S	S	S	S
\$0 - <5,000	423,940	S	S	S	S	S
\$5,000 - <10,000	262,330	-	0.00%	-	0.00%	-
\$10,000 - <15,000	209,320	-	0.00%	-	0.00%	-
\$15,000 - <20,000	188,770	S	S	S	S	S
\$20,000 - <25,000	172,120	-	0.00%	-	0.00%	-
\$25,000 - <30,000	162,080	S	S	S	S	S
\$30,000 - <40,000	277,660	S	S	S	S	S
\$40,000 - <50,000	213,630	-	0.00%	-	0.00%	-
\$50,000 - <70,000	318,450	S	S	S	S	S
\$70,000 - <100,000	292,140	M	0.00%	800	0.09%	80
\$100,000 - <200,000	231,220	20	0.01%	15,660	1.77%	920
\$200,000 - <500,000	42,800	20	0.04%	122,960	13.92%	6,470
\$500,000 - 1,000,000	7,560	20	0.25%	241,770	27.38%	12,720
\$1,000,000 and over	3,530	30	0.74%	429,610	48.65%	16,520
TOTAL	2,862,420	100	0.00%	883,100	100.00%	8,570

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

OTHER ITEMS

Sales and Use Tax on Out-of-State Purchases

The income tax form provides a line for taxpayers to report any state and local sales tax on purchases from out-of-state firms on which the sales tax was not charged. Use taxes are taxes paid by Wisconsin residents to the state of Wisconsin on purchases from out-of-state firms. As seen in Table 10A, about 1% of filers (28,900) report use tax. Total use tax collected through the income tax return amounted to \$2.0 million, for an average of \$70. The reporting rate increases with income.

**TABLE 10A
USE TAX FOR TAX YEAR 2010**

WAGI Class	Tax filers	Use Tax On Income Tax Form				Average Use Tax (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	56,850	170	0.3%	34,850	1.8%	210
\$0 - <5,000	423,940	900	0.21	40,200	2.02	40
\$5,000 - <10,000	262,330	900	0.34	36,610	1.84	40
\$10,000 - <15,000	209,320	930	0.44	36,800	1.85	40
\$15,000 - <20,000	188,770	960	0.51	38,390	1.93	40
\$20,000 - <25,000	172,120	1,040	0.60	43,800	2.20	40
\$25,000 - <30,000	162,080	1,090	0.67	52,260	2.63	50
\$30,000 - <40,000	277,660	2,440	0.88	119,030	5.98	50
\$40,000 - <50,000	213,630	2,420	1.13	114,340	5.75	50
\$50,000 - <70,000	318,450	4,360	1.37	233,450	11.73	50
\$70,000 - <100,000	292,140	5,090	1.74	282,840	14.21	60
\$100,000 - <200,000	231,220	6,050	2.62	407,310	20.47	70
\$200,000 - <500,000	42,800	1,810	4.23	227,520	11.43	130
\$500,000 - 1,000,000	7,560	470	6.27	72,290	3.63	150
\$1,000,000 and over	3,530	280	7.84	250,300	12.58	900
TOTAL	2,862,420	28,880	1.00%	1,989,990	100.0%	70

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

Table 10B shows the history of collections of the use tax. Since its inception in 1988, the reporting of use tax on the income tax form has increased from 0.5% of all filers to 1.0%, with the average reported use tax gradually increasing from \$20 to \$70. Total use tax collected has risen from \$245,000 to \$2.0 million.

**TABLE 10B
USE TAX FOR TAX YEARS 1988-2010**

Tax Year	Tax filers	Use Tax On Income Tax Form			
	Count	Count	As % of all filers	Amount (\$)	Average Amount (\$)
1988	2,267,720	12,320	0.5%	245,100	20
1989	2,346,340	14,200	0.6%	336,830	20
1990	2,383,930	15,430	0.6%	377,910	20
1991	2,402,510	16,530	0.7%	441,350	30
1992	2,414,540	17,690	0.7%	503,370	30
1993	2,441,280	18,710	0.8%	635,810	30
1994	2,489,320	20,200	0.8%	728,290	40
1995	2,529,200	22,220	0.9%	1,046,590	50
1996	2,567,900	24,330	0.9%	1,245,720	50
1997	2,614,740	23,910	0.9%	1,235,270	50
1998	2,651,680	25,040	0.9%	1,328,640	50
1999	2,693,790	23,600	0.9%	1,347,420	60
2000	2,738,420	25,050	0.9%	1,393,660	60
2001	2,715,630	24,710	0.9%	1,335,970	50
2002	2,698,480	25,130	0.9%	1,346,430	50
2003	2,702,720	24,770	0.9%	1,418,740	60
2004	2,729,380	25,010	0.9%	1,357,850	50
2005	2,767,910	24,970	0.9%	1,408,670	60
2006	2,756,030	29,260	1.1%	1,555,640	50
2007	2,889,870	29,220	1.0%	1,722,570	60
2008	2,822,650	29,730	1.1%	1,789,820	60
2009	2,831,470	29,200	1.0%	1,721,940	60
2010	2,862,420	28,880	1.0%	1,989,990	70

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

Endangered Resources Donation

The individual income tax form allows tax filers to donate money for the preservation and management of threatened and endangered species. The donation either reduces the taxpayer's refund or increases tax due. As shown in Table 11, in tax year 2010, 16,900 filers donated a total of about \$324,000 or an average of \$20 for every donor. The average ranged from \$10 for incomes below \$10,000 to \$160 at incomes above \$500,000. The participation rate was highest for the \$100,000 - \$200,000 income range.

**TABLE 11
ENDANGERED RESOURCES DONATION FOR TAX YEAR 2010**

WAGI Class	Tax filers	Endangered Resources Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	50	0.1%	1,010	0.3%	20
\$0 - <5,000	423,940	600	0.1%	5,930	1.8%	10
\$5,000 - <10,000	262,330	850	0.3%	7,870	2.4%	10
\$10,000 - <15,000	209,320	860	0.4%	8,420	2.6%	10
\$15,000 - <20,000	188,770	880	0.5%	10,530	3.2%	10
\$20,000 - <25,000	172,120	880	0.5%	9,620	3.0%	10
\$25,000 - <30,000	162,080	900	0.6%	11,450	3.5%	10
\$30,000 - <40,000	277,660	1,790	0.6%	25,230	7.8%	10
\$40,000 - <50,000	213,630	1,610	0.8%	27,510	8.5%	20
\$50,000 - <70,000	318,450	2,660	0.8%	49,320	15.2%	20
\$70,000 - <100,000	292,140	2,650	0.9%	57,400	17.7%	20
\$100,000 - <200,000	231,220	2,710	1.2%	72,570	22.4%	30
\$200,000 - <500,000	42,800	420	1.0%	26,960	8.3%	60
\$500,000 - <1,000,000	7,560	50	0.7%	9,020	2.8%	170
\$1,000,000 and over	3,530	10	0.3%	1,080	0.3%	90
TOTAL	2,862,420	16,910	0.6%	323,910	100.0%	20

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

The endangered resources donation was first introduced in 1984. Throughout the 1990s participation declined gradually, dropping to 41,470 by 1999. The declining trend reversed itself in 2000 and 2001 with participation around 46,460. Participation in 2010, 16,910, is the lowest since the donation's inception. While participation remains below what it was at the beginning, average donations have increased—from \$10 in 1990 to \$19 in 2010.

**TABLE 12
ENDANGERED RESOURCES DONATION 1990-2010**

Tax Year	Tax filers	Endangered Resources Donation			
	Count	Count	Participation Rate (%)	Amount (\$)	Average (\$)
1990	2,383,930	64,280	2.7%	652,940	10
1991	2,402,510	60,240	2.5	642,540	11
1992	2,414,540	56,790	2.4	611,430	11
1993	2,441,280	53,080	2.2	593,480	11
1994	2,489,320	50,210	2.0	595,620	12
1995	2,529,200	48,750	1.9	604,510	12
1996	2,567,900	44,770	1.7	572,570	13
1997	2,614,740	41,580	1.6	536,420	13
1998	2,651,680	44,110	1.7	636,980	14
1999	2,693,790	41,470	1.5	563,630	14
2000	2,738,420	46,460	1.7	697,330	15
2001	2,715,630	46,440	1.7	690,570	15
2002	2,698,480	41,350	1.5	658,770	16
2003	2,702,720	39,010	1.4	626,060	16
2004	2,729,380	33,020	1.2	522,010	16
2005	2,767,910	29,490	1.1	487,200	17
2006	2,756,030	24,970	0.9	423,630	17
2007	2,889,870	22,190	0.8	391,980	18
2008	2,822,650	21,310	0.7	371,300	17
2009	2,831,470	18,310	0.6	334,580	18
2010	2,862,420	16,910	0.6%	323,910	19

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics, various years.

Packers Football Stadium Donation

This donation, first available in tax year 2001, allows the taxpayer to make a donation towards the renovation of the Packers' football stadium in Green Bay. For tax year 2010, 7,000 filers gave a total of about \$54,000, for an average of \$8. Donors with income below \$100,000 gave \$7 on average, while donors with income \$100,000 or more donated \$12 on average.

**TABLE 13
PACKERS FOOTBALL STADIUM DONATION FOR TAX YEAR 2010**

WAGI Class	Tax filers	Packers Stadium Donation				Average (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	56,850	30	0.0%	320	0.6%	12
\$0 - <5,000	423,940	330	0.1%	2,150	4.0%	7
\$5,000 - <10,000	262,330	560	0.2%	3,070	5.7%	5
\$10,000 - <15,000	209,320	570	0.3%	3,570	6.6%	6
\$15,000 - <20,000	188,770	520	0.3%	3,510	6.5%	7
\$20,000 - <25,000	172,120	510	0.3%	3,390	6.3%	7
\$25,000 - <30,000	162,080	470	0.3%	3,190	5.9%	7
\$30,000 - <40,000	277,660	780	0.3%	5,410	10.0%	7
\$40,000 - <50,000	213,630	600	0.3%	5,000	9.2%	8
\$50,000 - <70,000	318,450	840	0.3%	6,200	11.4%	7
\$70,000 - <100,000	292,140	810	0.3%	7,080	13.1%	9
\$100,000 - <200,000	231,220	840	0.4%	8,780	16.2%	11
\$200,000 - <500,000	42,800	110	0.3%	1,930	3.6%	18
\$500,000 - <1,000,000	7,560	10	0.2%	420	0.8%	30
\$1,000,000 and over	3,530	M	M	210	0.4%	M
TOTAL	2,862,420	6,970	0.2%	54,210	100.0%	8

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Breast Cancer Research Donation

This donation, first available in tax year 2004, allows taxpayers to make a donation towards breast cancer research. The donation either reduces a taxpayer's refund, or adds to tax due. As Table 14 reports, approximately 13,300 filers gave a total of \$175,000 for an average of \$13. Donors with income below \$100,000 gave \$12 on average, while donors with income \$100,000 or more donated \$22 on average.

TABLE 14
BREAST CANCER RESEARCH DONATION FOR TAX YEAR 2010

WAGI Class	Tax filers		Breast Cancer Research Donation			
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	50	0.1%	830	0.5%	18
\$0 - <5,000	423,940	540	0.1%	3,900	2.2%	7
\$5,000 - <10,000	262,330	910	0.3%	7,070	4.0%	8
\$10,000 - <15,000	209,320	980	0.5%	9,160	5.2%	9
\$15,000 - <20,000	188,770	960	0.5%	9,090	5.2%	10
\$20,000 - <25,000	172,120	900	0.5%	10,400	5.9%	12
\$25,000 - <30,000	162,080	820	0.5%	10,600	6.0%	13
\$30,000 - <40,000	277,660	1,410	0.5%	15,070	8.6%	11
\$40,000 - <50,000	213,630	1,160	0.5%	15,790	9.0%	14
\$50,000 - <70,000	318,450	1,770	0.6%	24,240	13.8%	14
\$70,000 - <100,000	292,140	1,800	0.6%	26,370	15.1%	15
\$100,000 - <200,000	231,220	1,750	0.8%	32,450	18.5%	19
\$200,000 - <500,000	42,800	220	0.5%	7,340	4.2%	33
\$500,000 - <1,000,000	7,560	40	0.5%	2,350	1.3%	67
\$1,000,000 and over	3,530	M	M	570	0.3%	M
TOTAL	2,862,420	13,300	0.5%	175,200	100.0%	13

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Veterans' Trust Fund Donation

This donation was first available in tax year 2005 and allows taxpayers to make donations towards the Veterans' Trust Fund. A donation either reduces a taxpayer's refund, or adds to tax due. There were 7,300 filers who gave a total of \$94,000 for an average of \$13 per return (See Table 15). Donors with income above \$200,000 donated the most on average at about \$61 per return. Filers with income of less than \$200,000 had average donations of about \$12.

TABLE 15
VETERANS' TRUST FUND DONATION FOR TAX YEAR 2010

WAGI Class	Tax filers	Veterans' Trust Fund Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	40	0.1%	610	0.6%	16
\$0 - <5,000	423,940	300	0.1%	2,450	2.6%	8
\$5,000 - <10,000	262,330	450	0.2%	3,840	4.1%	9
\$10,000 - <15,000	209,320	480	0.2%	4,140	4.4%	9
\$15,000 - <20,000	188,770	470	0.2%	4,800	5.1%	10
\$20,000 - <25,000	172,120	450	0.3%	3,890	4.1%	9
\$25,000 - <30,000	162,080	440	0.3%	5,080	5.4%	12
\$30,000 - <40,000	277,660	870	0.3%	10,490	11.1%	12
\$40,000 - <50,000	213,630	660	0.3%	7,930	8.4%	12
\$50,000 - <70,000	318,450	1,040	0.3%	13,960	14.8%	13
\$70,000 - <100,000	292,140	980	0.3%	13,250	14.1%	14
\$100,000 - <200,000	231,220	930	0.4%	13,310	14.1%	14
\$200,000 - <500,000	42,800	140	0.3%	6,350	6.7%	47
\$500,000 - <1,000,000	7,560	30	0.4%	3,920	4.2%	135
\$1,000,000 and over	3,530	M	M	260	0.3%	M
TOTAL	2,862,420	7,260	0.3%	94,280	100.0%	13

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Multiple Sclerosis Research Donation

This donation was new for tax year 2006 and allows taxpayers to make donations towards multiple sclerosis research. A donation either reduces a taxpayer's refund, or adds to tax due. As Table 16 reports, there were 6,400 filers who gave a total of \$81,000 for an average of \$13 per return. Donors with income above \$50,000 donated the most on average at about \$17 per return. Filers with income of less than \$50,000 had average donations of about \$10.

TABLE 16
MULTIPLE SCLEROSIS RESEARCH DONATION FOR TAX YEAR 2010

WAGI Class	Tax filers	Multiple Sclerosis Research Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	20	0.0%	420	0.5%	20
\$0 - <5,000	423,940	260	0.1%	1,510	1.9%	6
\$5,000 - <10,000	262,330	420	0.2%	3,020	3.7%	7
\$10,000 - <15,000	209,320	460	0.2%	3,260	4.0%	7
\$15,000 - <20,000	188,770	430	0.2%	3,820	4.7%	9
\$20,000 - <25,000	172,120	410	0.2%	3,500	4.3%	9
\$25,000 - <30,000	162,080	400	0.2%	4,780	5.9%	12
\$30,000 - <40,000	277,660	700	0.3%	7,220	8.9%	10
\$40,000 - <50,000	213,630	600	0.3%	7,830	9.7%	13
\$50,000 - <70,000	318,450	880	0.3%	11,530	14.3%	13
\$70,000 - <100,000	292,140	850	0.3%	11,920	14.7%	14
\$100,000 - <200,000	231,220	870	0.4%	16,430	20.3%	19
\$200,000 - <500,000	42,800	130	0.3%	4,010	5.0%	32
\$500,000 - <1,000,000	7,560	20	0.3%	1,060	1.3%	56
\$1,000,000 and over	3,530	S	S	S	S	S
TOTAL	2,862,420	6,450	0.2%	80,820	100.0%	13

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Firefighters Memorial Donation

This donation was new for tax year 2006 and allows taxpayers to make donations towards the Firefighters Memorial. A donation either reduces a taxpayer's refund, or adds to tax due. There were 4,300 filers who gave a total of \$37,000 for an average of \$8 per return (See Table 17). Donors with income above \$50,000 donated the most on average at about \$11 per return. Filers with income of less than \$50,000 had average donations of about \$7.

**TABLE 17
FIREFIGHTERS MEMORIAL DONATION FOR TAX YEAR 2010**

WAGI Class	Tax filers	Firefighters Memorial Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	20	0.0%	230	0.6%	14
\$0 - <5,000	423,940	160	0.0%	920	2.5%	6
\$5,000 - <10,000	262,330	290	0.1%	1,610	4.4%	6
\$10,000 - <15,000	209,320	320	0.2%	1,950	5.3%	6
\$15,000 - <20,000	188,770	290	0.2%	1,470	4.0%	5
\$20,000 - <25,000	172,120	280	0.2%	1,670	4.5%	6
\$25,000 - <30,000	162,080	260	0.2%	1,680	4.6%	6
\$30,000 - <40,000	277,660	520	0.2%	3,730	10.2%	7
\$40,000 - <50,000	213,630	380	0.2%	3,860	10.5%	10
\$50,000 - <70,000	318,450	610	0.2%	5,630	15.4%	9
\$70,000 - <100,000	292,140	550	0.2%	5,680	15.5%	10
\$100,000 - <200,000	231,220	580	0.2%	6,160	16.8%	11
\$200,000 - <500,000	42,800	70	0.2%	1,630	4.4%	23
\$500,000 - <1,000,000	7,560	10	0.2%	430	1.2%	33
\$1,000,000 and over	3,530	S	S	S	S	S
TOTAL	2,862,420	4,340	0.2%	36,690	100.0%	8

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Prostate Cancer Research Donation

This donation was new for tax year 2006 and allows taxpayers to make donations towards prostate cancer research. A donation either reduces a taxpayer's refund, or adds to tax due. There were 7,300 filers who gave a total of \$74,000 for an average of \$10 per return (See Table 18). Donors with income above \$100,000 donated the most on average at about \$18 per return. Filers with income of less than \$100,000 had average donations of about \$9.

**TABLE 18
PROSTATE CANCER RESEARCH DONATION FOR TAX YEAR 2010**

WAGI Class	Tax filers		Prostate Cancer Research Donation			Average (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	56,850	20	0.0%	350	0.5%	15
\$0 - <5,000	423,940	260	0.1%	1,480	2.0%	6
\$5,000 - <10,000	262,330	440	0.2%	2,640	3.6%	6
\$10,000 - <15,000	209,320	470	0.2%	2,900	3.9%	6
\$15,000 - <20,000	188,770	440	0.2%	2,670	3.6%	6
\$20,000 - <25,000	172,120	450	0.3%	2,970	4.0%	7
\$25,000 - <30,000	162,080	430	0.3%	4,110	5.5%	10
\$30,000 - <40,000	277,660	770	0.3%	6,310	8.5%	8
\$40,000 - <50,000	213,630	660	0.3%	5,890	7.9%	9
\$50,000 - <70,000	318,450	1,010	0.3%	10,240	13.8%	10
\$70,000 - <100,000	292,140	1,070	0.4%	12,460	16.8%	12
\$100,000 - <200,000	231,220	1,080	0.5%	16,210	21.8%	15
\$200,000 - <500,000	42,800	150	0.4%	4,470	6.0%	30
\$500,000 - <1,000,000	7,560	20	0.3%	1,300	1.8%	54
\$1,000,000 and over	3,530	S	S	S	S	S
TOTAL	2,862,420	7,290	0.3%	74,200	100.0%	10

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Military Family Relief Fund

This donation was new for tax year 2009 and allows taxpayers to make donations towards a military family fund. A donation either reduces a taxpayer's refund, or adds to tax due. There were 8,700 filers who gave a total of \$125,000 for an average of \$14 per return (See Table 19). Donors with income above \$200,000 donated the most on average at about \$50 per return. Filers with income of less than \$200,000 had average donations of about \$13.

TABLE 19
MILITARY FAMILY RELIEF FUND DONATION, BY INCOME CLASS, TAX YEAR 2010

WAGI Class	Tax filers	Military Family Relief Fund Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	30	0.1%	530	0.4%	18
\$0 - <5,000	423,940	340	0.1%	2,720	2.2%	8
\$5,000 - <10,000	262,330	520	0.2%	4,510	3.6%	9
\$10,000 - <15,000	209,320	570	0.3%	5,830	4.7%	10
\$15,000 - <20,000	188,770	550	0.3%	6,410	5.1%	12
\$20,000 - <25,000	172,120	530	0.3%	6,020	4.8%	11
\$25,000 - <30,000	162,080	540	0.3%	6,690	5.4%	12
\$30,000 - <40,000	277,660	970	0.3%	11,820	9.5%	12
\$40,000 - <50,000	213,630	790	0.4%	10,090	8.1%	13
\$50,000 - <70,000	318,450	1,220	0.4%	16,110	12.9%	13
\$70,000 - <100,000	292,140	1,230	0.4%	18,610	14.9%	15
\$100,000 - <200,000	231,220	1,240	0.5%	24,570	19.7%	20
\$200,000 - <500,000	42,800	180	0.4%	6,270	5.0%	35
\$500,000 - <1,000,000	7,560	30	0.4%	4,450	3.6%	139
\$1,000,000 and over	3,530	M	M	370	0.3%	M
TOTAL	2,862,420	8,750	0.3%	124,980	100.0%	14

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

Second Harvest Food Bank

This donation was new for tax year 2009 and allows taxpayers to make donations towards the Second Harvest Food Banks that are members of Feeding America. A donation either reduces a taxpayer's refund, or adds to tax due. There were 10,300 filers who gave a total of \$178,000 for an average of \$17 per return (See Table 20). Donors with income above \$200,000 donated the most on average at about \$41 per return. Filers with income of less than \$200,000 had average donations of about \$17.

TABLE 20
SECOND HARVEST FOOD BANK DONATION, BY INCOME CLASS, TAX YEAR 2010

WAGI Class	Tax filers	Second Harvest Food Bank Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	56,850	30	0.1%	350	0.2%	11
\$0 - <5,000	423,940	400	0.1%	3,100	1.7%	8
\$5,000 - <10,000	262,330	570	0.2%	5,880	3.3%	10
\$10,000 - <15,000	209,320	620	0.3%	7,330	4.1%	12
\$15,000 - <20,000	188,770	630	0.3%	9,460	5.3%	15
\$20,000 - <25,000	172,120	590	0.3%	6,670	3.8%	11
\$25,000 - <30,000	162,080	610	0.4%	8,130	4.6%	13
\$30,000 - <40,000	277,660	1,180	0.4%	17,100	9.6%	15
\$40,000 - <50,000	213,630	1,000	0.5%	15,800	8.9%	16
\$50,000 - <70,000	318,450	1,520	0.5%	27,600	15.5%	18
\$70,000 - <100,000	292,140	1,430	0.5%	28,660	16.1%	20
\$100,000 - <200,000	231,220	1,450	0.6%	36,970	20.8%	25
\$200,000 - <500,000	42,800	220	0.5%	9,120	5.1%	41
\$500,000 - <1,000,000	7,560	20	0.3%	770	0.4%	36
\$1,000,000 and over	3,530	M	M	570	0.3%	M
TOTAL	2,862,420	10,280	0.4%	177,500	100.0%	17

Source: WI Department of Revenue, Individual Income Tax Aggregate Statistics.

S indicates that the line was suppressed because the count was less than six.

M indicates a minimal count was suppressed because it was in the range of six to ten (inclusive).

APPENDIX A MAJOR PROVISIONS OF 2010 WISCONSIN INDIVIDUAL INCOME TAX LAW

For a more detailed description of the Wisconsin individual income tax structure and history, see [The Wisconsin Individual Income Tax](#) report on the Department of Revenue website.

Wisconsin Adjusted Gross Income

Wisconsin adjusted gross income (WAGI) is the base for the state individual income tax. It follows closely the base for the federal individual income tax, federal adjusted gross income (FAGI), but is modified by additions and subtractions. Additions account for income exempt from federal tax but subject to state tax and subtractions account for income taxed federally but not by Wisconsin and allow expenses permitted by Wisconsin but not by federal law.

FAGI is equal to gross income after adjustments. Gross income includes all types of income subject to tax, e.g., wages and salaries, net business and farm income (or loss), interest, dividends, rents, retirement income, alimony received, capital gains, unemployment compensation, and a portion of social security benefits.

Adjustments are subtractions from gross income to arrive at FAGI. Examples of adjustments include contributions to Individual Retirement Accounts and self-employed retirement plans, health insurance premiums paid by the self-employed, one-half of the self-employment tax for Social Security and Medicare, a portion of student loan interest, moving expenses, and alimony paid.

Modifications, both additions and subtractions, are then made to FAGI to determine WAGI. Additions to FAGI include income that is exempt from federal tax but is subject to state tax. Major examples include:

- State and municipal bond interest. There is some state and local interest that remains exempt from state taxation (e.g., interest on bonds issued by municipal housing, community development authorities, cultural and sports stadium districts, the Wisconsin Housing and Economic Development Authority, and the governments of Guam, Puerto Rico and the Virgin Islands.)
- Capital losses in excess of \$500 (federal law allows a \$3,000 capital loss deduction but Wisconsin limits the loss to \$500).
- A certain portion of farm losses for those not actively engaged in farming when non-farm WAGI exceeds \$55,000 (\$27,500 if married filing separately).

Subtractions to FAGI are for income that is taxable for federal purposes but not for state purposes. Examples for tax year 2010 include:

- An exclusion for 30% of capital gains on assets held for more than one year which Wisconsin allows in tax year 2010, but are taxed in full at the federal level.
- Interest on U.S. government bonds, which states are prohibited from taxing.

- Pensions received by persons who were members of or retired from Milwaukee city and county retirement plans, the state teachers' retirement plan and the civil service retirement system prior to January 1, 1964.
- Social Security benefits that are taxable for federal purposes. Up to 85% of social security benefits are subject to federal tax, but Wisconsin does not tax these benefits.
- A portion of unemployment compensation, which is fully taxable for federal purposes but only taxed by Wisconsin when income exceeds \$18,000 for married couples and \$12,000 for most other filers.
- Railroad retirement benefits, railroad unemployment insurance, and sickness benefits, which are taxable under federal law but which states are not permitted to tax.
- State income tax refunds.
- Health insurance premiums paid by employed persons whose employer does not contribute to their health insurance and a portion of premiums paid by employed persons whose employer pays part of their health insurance.
- A portion of health insurance premiums paid by individuals with no self employment income and no employer.
- Premiums paid for long-term care insurance.
- Tuition payments, up to \$6,000 per student, to post-secondary institutions in Wisconsin and to schools in Minnesota covered under Minnesota-Wisconsin tuition reciprocity.
- Contributions to and distributions from the Wisconsin EdVest College Savings Program that are included in FAGI. Subtractions are limited to \$3,000 per beneficiary.
- Adoption expenses of up to \$5,000.

Standard Deduction

Wisconsin has a sliding scale standard deduction, which means that as WAGI rises, the amount of the standard deduction phases out to zero. Table A1 shows the 2010 standard deduction schedule by filing status. The maximum standard deduction amounts and the phase-out ranges for WAGI are indexed annually for inflation.

**TABLE A1
STANDARD DEDUCTIONS FOR TAX YEAR 2010**

Filing Status	Wisconsin Adjusted Gross Income (WAGI) (\$)	Standard Deduction (\$)
Single	<13,410	9,300
	13,410 to 90,910	9,300 – 12% (WAGI – 13,410)
	>90,910	0
Head of Household	<13,410	12,010
	13,410 to 39,183	12,010 – 22.515% (WAGI – 13,410)
	>39,183 to 90,910	9,300 – 12% (WAGI – 13,410)
	>90,910	0
Married Filing Jointly	<18,820	16,750
	18,820 to 103,510	16,750 – 19.778% (WAGI – 18,820)
	>103,510	0
Married Filing Separately	<8,940	7,960
	8,940 to 49,187	7,960 – 19.778% (WAGI – 8,940)
	>49,187	0

Source: WI Department of Revenue.

Personal Exemptions

Personal exemptions are subtracted from WAGI to arrive at taxable income. For tax year 2010, a personal exemption of \$700 is allowed for each taxpayer, spouse and dependent. An additional \$250 exemption is allowed for each taxpayer or spouse who is 65 years of age or older. Thus, an elderly couple filing jointly has a total of \$1,900 in personal exemptions.

Taxable Income

Taxable income is determined by subtracting the standard deduction and personal exemptions from Wisconsin adjusted gross income.

Income Tax Rates and Brackets

Wisconsin has a graduated rate structure where tax rates increase as taxable income increases. Table A2 shows the 2010 tax rate schedule. The brackets for married taxpayers filing separately are approximately half of that for married joint filers. Tax brackets are indexed annually.

**TABLE A2
INDIVIDUAL INCOME TAX RATES FOR TAX YEAR 2010**

Marginal Tax Rates (%)	Taxable Income Brackets (\$)		
	Single	Married Filing Jointly	Married Filing Separately
4.60	>0 - 10,770	>0 - 13,420	>0 - 6,710
6.15	>10,770-20,130	>13,420 - 26,850	>6,710 - 13,420
6.50	>20,130 - 151,000	>26,850 - 201,340	>13,420 - 100,670
6.75	>151,000 - 221,660	> 201,340 - 295,550	>100,670 - 147,770
7.75	>221,660	>295,550	>147,770

Source: WI Department of Revenue.

Alternative Minimum Tax

The Wisconsin alternative minimum tax (AMT) is equal to 6.5% of alternative minimum taxable income after allowing exemptions of \$45,000 for individuals that are married filing jointly (\$22,500 if married filing separately and \$33,750 if single). This calculated AMT amount is then compared with the liability under the regular income tax. An AMT is owed only if the calculated amount exceeds the regular tax.

Nonrefundable Credits

Nonrefundable credits are those credits that are limited to the amount of income tax otherwise due.

- The itemized deductions credit is 5% of the excess of qualified itemized deductions over the sliding scale standard deduction. Expenses qualifying for the credit include mortgage interest on a primary residence located in Wisconsin, charitable contributions, medical expenses in excess of 7.5% of the taxpayer's FAGI, and certain casualty losses related to a federally declared disaster.
- The school property tax credit is equal to 12% of the first \$2,500 of property taxes or rent constituting property taxes paid on a person's primary residence and contiguous land (maximum credit of \$300.) For renters, the rent equivalent of property tax is 25% of rent if heat is not included and 20% of rent if heat is included.
- The armed forces member tax credit is a credit for full year Wisconsin residents for up to \$300 for military pay received for service while stationed outside the U.S. If both spouses of a married couple filing jointly receive pay for military service outside the U.S., both may claim the \$300 credit.
- The working families' credit is equal to a taxpayer's net tax liability (defined as gross tax less the itemized deduction credit, school property tax credit and historic rehabilitation credit) when income is \$18,000 or less for married couples filing jointly and \$9,000 or less for other tax filers. Essentially, this credit eliminates tax liability when income is below these levels. The credit is phased out over the next \$1,000 of income above

these ceilings. The credit is available only to full-year residents and it is not available to persons who are claimed as a dependent on someone else's tax return.

- The married couple credit is available only when both spouses work. The credit is equal to 3% of the first \$16,000 of the earned income of the lower-earning spouse (or a maximum credit of \$480).
- The manufacturer's sales tax credit is for owners of non-corporate businesses (e.g., sole proprietorships, partnerships). They may claim a credit for the amount of sales taxes paid on fuel and electricity used in manufacturing tangible personal property in Wisconsin. The credit has been repealed and replaced with a sales tax exemption, so only carry forward claims are allowed beginning in 2006.
- The development zone credit, technology zone credit, Internet equipment credit, film production services credit, the film production company investment credit, manufacturing investment credit, and the jobs tax credit are available to taxpayers as certified by the Department of Commerce. Unused amounts of the credit can be carried forward for up to 15 years.
- There are two historic rehabilitation credits provided to encourage the rehabilitation of historic buildings in Wisconsin:
 - Supplement to the federal historic rehabilitation credit equal to 5% of qualified rehabilitation expenditures for historic buildings used in a trade or business that qualify for the federal credit and are located in Wisconsin. Unused amounts of the credit can be carried forward 15 years.
 - State historic rehabilitation credit, which applies to owner-occupied personal residences and is equal to 25% of qualified expenditures, to rehabilitate certified historic buildings for noncommercial use that are located in Wisconsin. The maximum credit is \$10,000 (\$5,000 for married persons filing separately). Unused amounts of the credit can be carried forward for up to 15 years.
- The dairy and livestock farm investment credit is available for 10% of certain expenditures to modernize or expand a dairy or livestock farm. The maximum amount of the credit that can be claimed is \$50,000.
- The angel investment credit is available for qualified new business ventures certified by the Department of Commerce. The credit is equal to 12.5% of the investment and is limited to \$500,000 per investment per year, \$5.5 million total per year, and \$47.5 million for all taxable years.
- The early stage seed investment credit is available for 25% of qualified new business ventures certified by the Department of Commerce. The credit is limited to \$6.0 million per taxable year.
- The health insurance risk-sharing plan assessments credit may be passed through to an individual claimant. The credit is for insurers who are required to participate in the cost of administering the Health Insurance Risk-Sharing Plan. The credit is based on the assessment by the Commissioner of Insurance for the insurers' proportion of

participation based on the total assessments estimated by the Health Insurance Risk-Sharing Plan Authority.

- The ethanol and biodiesel fuel pump credit is available for a portion of the amount paid to install or retrofit pumps that dispense certain motor vehicle fuel. The motor vehicle fuel must consist of at least 85% ethanol or at least 20% biodiesel fuel.
- The economic development tax credit is available for tax years beginning after December 31, 2008. It is available to persons certified by the Department of Commerce. The amount of credit available is limited to \$121.3 million, which is the amount of available credit that had not been allocated by Commerce in the five zone-based programs that this credit replaces.
- The postsecondary education credit is based on a percentage of the tuition paid by a business for an individual to participate in an education program of a qualified postsecondary institution.
- The water consumption credit is available to an industrial customer of a municipal water utility that is located in a federal renewal community zone in Wisconsin, and whose average annual water consumption from that utility for a 24-month period exceeds 1,000,000 Ccf.

Credit for Taxes Paid to Other States

Wisconsin residents may reduce their Wisconsin income tax by the amount of income taxes paid to other states or to the District of Columbia. The credit is not allowed if wages are earned in states having reciprocity agreements with Wisconsin. The credit is nonrefundable.

Refundable Credits

Refundable credits are credits that can exceed tax liability otherwise due. When that happens, a refund check for the excess is issued to the claimant.

- The Wisconsin earned income tax credit (EITC) is equal to a percentage of the federal EITC, based on the number of children in the household: 4% for one child, 14% for two children, and 43% of the federal credit for 3 or more children. For tax year 2010, the maximum federal credit is 34% of earnings not exceeding \$8,970 for persons with one child, 40% of earnings not exceeding \$12,590 for persons with two children, and 45% of earnings not exceeding \$12,590 for persons with three or more children. These credits are phased out as income rises. The phase-out ranges for FAGI are as follows:
 - for one child, the phase-out range for joint filers is \$21,460 - \$40,545, for singles it is \$16,450 - \$35,535.
 - for 2 children the phase-out range for joint filers is \$21,460 - \$45,373, and for singles it is \$16,450 - \$40,363.
 - for 3 or more children the phase-out range for joint filers is \$21,460 - \$48,362, and for singles it is \$16,450 - \$43,352.

Thus, the maximum federal credit for tax year 2010 is \$3,050 for one child, \$5,036 for two children, and \$5,666 for three or more children. The maximum state credit is \$122 for one child, \$705 for two children, and \$2,436 for 3 or more children.

- The homestead credit is based on household income and property taxes (or rent equivalent), and is available to low income homeowners and renters (those with household incomes below \$24,680). The maximum amount of property tax that qualifies for the credit is \$1,460. For renters, property tax is assumed to be 20% of rent if heat is included and 25% if heat is not included. The credit is computed as follows:
 - if household income is \$8,060 or less, the credit is 80% of property taxes up to \$1,460 (or a maximum credit of \$1,168);
 - if household income is more than \$8,060 but not more than \$24,680, the credit is equal to 80% of the amount by which the property tax exceeds 8.785% of household income in excess of \$8,060;
 - if household income exceeds \$24,680, no Homestead credit is allowed.
 - In computing household income, a claimant may deduct \$500 for each dependent living with the claimant.
- The farmland preservation credit is available to owners of farmland covered by a farmland preservation agreement. The credit is a flat payment of \$5, \$7.50, or \$10 per acre of qualifying farmland. To qualify for the credit the farmland must be part of a farm that produces gross profits of at least \$6,000 in the year the credit is claimed, or \$18,000 in total for the years the credit is claimed and the two prior years.
- The veterans' and surviving spouses' property tax credit was first available in tax year 2005. Eligible veterans and surviving spouses may claim this credit in the amount of property taxes paid during the year on the claimant's principal dwelling in Wisconsin. To be eligible for the credit, veterans must be verified by the Wisconsin Department of Veterans Affairs as having served in the U.S. armed forces, having been a Wisconsin resident at the time of entry into service, currently being a Wisconsin resident for the purpose of veterans benefits, and having a service-connected disability rating of 100% or a 100% disability rating based on individual unemployability. An eligible surviving spouse must be an un-remarried widow of an individual who was a Wisconsin resident at the time of entry into service, was a Wisconsin resident at the time of death, and died while on active duty or would be otherwise considered an eligible veteran at the time of death.
- The enterprise zone jobs credit is available to persons doing business in an enterprise zone. The Department of Commerce must certify the business as eligible for the credit and determine the amount of credit.
- The dairy manufacturing facility investment credit is available for dairy manufacturing modernization or expansion. The Department of Commerce must certify eligible taxpayers and allocate the amount of credit.
- The meat processing credit is available to persons who have invested to modernize or expand meat processing facilities. The Department of Commerce must certify eligible

taxpayers and allocate the amount of credit.

- The film production services credit is available to film production companies that operate an accredited production in Wisconsin. Approved expenses must be certified by the Department of Commerce.
- The film production company investment credit may be claimed for expenses related to establishing a film production company in Wisconsin. These expenses must be certified by the Department of Commerce.
- The dairy cooperatives credit may be claimed by cooperatives and is passed through to individual members of the cooperative.
- The woody biomass harvesting and processing credit is available based on the amount paid in the year for equipment that is used primarily to harvest or process woody biomass that is used as fuel or as a component of fuel. The Department of Commerce must certify eligible taxpayers and allocate the amount of credit.
- The food processing plant and food warehouse investment credit is based on the amount paid in the year for food processing of food warehousing modernization or expansion. The Department of Commerce must certify eligible taxpayers and allocate the amount of credit.

APPENDIX B CHANGES AFFECTING TAX YEAR 2010 RETURNS

The following significant changes affected tax year 2010 returns:

- The postsecondary education credit was created in 2010 (see Table 8L)
- The water consumption credit was created in 2010 (10 or fewer claimants used the credit)
- The jobs tax credit was created in 2010 (10 or fewer claimants used the credit)
- The woody biomass harvesting and processing credit was created in 2010 (10 or fewer claimants used the credit)
- The food processing plant and food warehouse investment credit was created in 2010 (see Table 9F)
- Minnesota ended an income tax reciprocity agreement
- The state election campaign fun donation was increased from \$1 to \$3
- The deduction for college savings accounts was modified to allow contributions where the beneficiary is the contributor's child, but it does not require the child to be the contributor's dependent.
- The homestead credit dependent deduction was increased from \$250 to \$500
- The following items were adjusted due to indexing for inflation:
 - The income levels for each tax bracket.
 - The maximum standard deduction amounts and the income phase-out ranges for the standard deduction.
 - The homestead credit income thresholds and allowable property tax.