



Individual Income Tax Statistics Report for Tax Year 2017

This report summarizes data from individual income tax returns for tax year 2017 that were filed by October 15, 2018.

Comparison with Tax Year 2016 (Table 1)

Taxpayers filed 3.06 million tax returns for tax year 2017, an increase of 0.5% over the 3.04 million returns filed for 2016. In 2017, there were 1.35 million single filers (44.1% of total), and 277,000 head-of-household filers (9.0%). Married joint filers numbered 1.18 million (38.7%) while married separate filers numbered 27,500 (0.9%). In addition, there were about 221,000 dependent filers (filers who were claimed as dependents on someone else's tax return) (7.2%).

Wisconsin adjusted gross income (WAGI) was \$173.6 billion in tax year 2017, a 4.6% increase from 2016. Total standard deductions equaled \$19.9 billion in tax year 2017, an increase of 0.3% over 2016. Personal exemptions were \$3.30 billion in 2017 compared to \$3.27 billion in 2016, a 1.0% increase. Total income tax liability (before the minimum tax) increased 2.0% to \$7.59 billion and the alternative minimum tax, paid by 6,300 filers, generated \$8.4 million in tax year 2017, a 73% decrease from tax year 2016. Of the 3.06 million tax returns filed for 2017, 2.20 million, or 72%, showed a net income tax liability. The average tax rate, equal to net tax divided by WAGI, was 4.4%.

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, and a number of business and economic development related tax credits. These credits increased 2.8% to \$1.52 billion in 2017. The five largest nonrefundable credits -- the school property tax credit (\$421 million), the credit for taxes paid to other states (\$297 million), the married couple credit (\$265 million), the itemized deduction credit (\$276 million), and the manufacturing and agriculture credit (\$224 million) -- accounted for 98% 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, and the business development credit.¹ Refundable credits decreased 4.6% from \$231 million in 2016 to \$220 million in 2017. The largest of these credits was the earned income tax credit at \$95.6

¹ The business development credit replaced the economic development credit and the jobs tax credit for tax year 2016 and after. Economic development and jobs tax credits may still be awarded to businesses that had a contract in force with the Wisconsin Economic Development Corporation (WEDC) on January 1, 2016.

million, followed by the homestead tax credit at \$78.1 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 2016 and 2017
(dollar amounts in millions)

	Tax Year 2016	Tax Year 2017	Percent Change
Count of Tax Returns	3,041,210	3,057,180	0.5%
Single	1,336,140	1,347,530	0.9%
Dependent filers	219,600	221,290	0.8%
Head of Household	276,710	276,590	0.0%
Married Filing Jointly	1,182,550	1,184,250	0.1%
Married Filing Separately	26,210	27,520	5.0%
Wisconsin Adjusted Gross Income (WAGI)	166,000	173,580	4.6%
Standard Deduction			
Number of returns	2,478,760	2,477,050	-0.1%
Amount	19,884	19,943	0.3%
Personal Exemptions			
Number of returns	2,255,240	2,288,700	1.5%
Amount	3,265	3,296	1.0%
Taxable Income			
Number of returns	2,301,840	2,334,320	1.4%
Amount	144,287	151,643	5.1%
Gross Income Tax (before credits)			
Number of returns	2,293,640	2,333,050	1.7%
Amount	8,647	9,108	5.3%
Net Income Tax			
Number of returns	2,157,170	2,199,190	1.9%
Amount	7,172	7,592	5.8%
Alternative Minimum Tax			
Number of returns	34,520	6,320	-81.7%
Amount	30.9	8.4	-72.7%
Total Tax Liability (Net Tax + Minimum Tax)			
Number of returns	2,157,610	2,200,000	2.0%
Percent of total returns filed	70.9%	72.0%	
Amount	7,203	7,600	5.5%
Aver. Tax Rate (as % of WAGI)	4.30%	4.40%	2.3%

Table 1 (Continued)
Individual Income Tax Returns: Selected Tax Items for Tax Years 2016 and 2017
(dollar amounts in millions)

	Tax Year 2016	Tax Year 2017	Percent Change
Total Nonrefundable Credits (Used)	1,474.75	1,515.80	2.8%
Itemized Deductions Credit			
Number of returns	617,715	623,228	0.9%
Amount	261.73	275.78	5.4%
Armed Forces Credit			
Number of returns	3,030	3,000	-1.0%
Amount	0.85	0.85	0.0%
School Property Tax/Rent Credit			
Number of returns	1,733,550	1,761,490	1.6%
Amount	411.20	421.39	2.5%
Working Families Credit			
Number of returns	260	310	19.2%
Amount	0.08	0.11	37.5%
Married Couple Credit			
Number of returns	652,050	649,610	-0.4%
Amount	264.21	264.93	0.3%
Credit for Taxes Paid to Other States			
Number of returns	76,720	77,680	1.3%
Amount	293.43	297.35	1.3%
Historic Rehabilitation Credits			
Number of returns	300	370	23.3%
Amount	1.98	2.18	10.1%
Angel Investment Credit			
Number of returns	480	510	6.3%
Amount	4.87	4.80	-1.4%
Early Stage Seed Investment Credit			
Number of returns	420	340	-19.0%
Amount	3.67	1.64	-55.3%
Manufacturing Investment Credit			
Number of returns	80	80	0.0%
Amount	0.33	0.21	-36.4%
Economic Development Tax Credit			
Number of returns	300	250	-16.7%
Amount	2.53	2.10	-17.0%
Community Rehabilitation Program Credit			
Number of returns	150	130	-13.3%
Amount	0.07	0.06	-14.3%

Table 1 (Continued)
Individual Income Tax Returns: Selected Tax Items for Tax Years 2016 and 2017
(dollar amounts in millions)

	Tax Year 2016	Tax Year 2017	Percent Change
Manufacturing Credit²			
Number of returns	6,430	6,230	-3.1%
Amount	205.00	209.80	2.3%
Agriculture Credit			
Number of returns	5,310	4,660	-12.2%
Amount	16.56	13.75	-17.0%
Research Expense Credits			
Number of returns	2,720	3,070	12.9%
Amount	14.19	19.21	35.4%
Refundable Credits			
	230.98	220.28	-4.6%
Earned Income Credit			
Number of returns	245,880	237,230	-3.5%
Amount	97.82	95.64	-2.2%
Homestead Credit			
Number of returns	174,930	155,900	-10.9%
Amount	89.32	78.05	-12.6%
Farmland Preservation Credit			
Number of returns	11,750	11,720	-0.3%
Amount	16.38	16.54	1.0%
Veterans Property Tax Credit			
Number of returns	9,310	10,040	7.8%
Amount	27.46	30.05	9.4%
Enterprise Zone Jobs Credit			
Number of returns	30	70	133.3%
Amount	1.41	4.09	190.1%
Jobs Tax Credit			
Number of returns	20	20	0.0%
Amount	0.59	2.83	379.7%
Business Development Credit			
Number of returns	80	150	87.5%
Amount	1.92	2.35	22.4%

² The manufacturing and agriculture credit is a single credit comprised of two parts (manufacturing and agriculture) listed separately above.

Table 1 (Continued)
Individual Income Tax Returns: Selected Tax Items for Tax Years 2016 and 2017
(dollar amounts in millions)

	Tax Year 2016	Tax Year 2017	Percent Change
Other			
Use Tax			
Number of returns	57,270	54,830	-4.3%
Amount	3.29	3.37	2.4%
Endangered Resources Donation			
Number of returns	13,430	12,850	-4.3%
Amount	0.29	0.28	-2.8%
Cancer Research Donation			
Number of returns	9,010	8,740	-3.0%
Amount	0.17	0.18	8.5%
Veterans Trust Fund Donation			
Number of returns	6,830	6,520	-4.5%
Amount	0.11	0.11	-0.9%
Multiple Sclerosis Donation			
Number of returns	4,980	4,710	-5.4%
Amount	0.08	0.07	-5.3%
Military Family Relief Fund			
Number of returns	6,910	6,560	-5.1%
Amount	0.12	0.12	-4.2%
Second Harvest Food Bank			
Number of returns	7,900	7,630	-3.4%
Amount	0.16	0.16	2.6%
Red Cross Donation			
Number of returns	6,400	6,590	3.0%
Amount	0.10	0.13	27.0%
Special Olympics Donation			
Number of returns	6,210	6,130	-1.3%
Amount	0.10	0.10	4.2%

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

Note: Details may not sum to totals due to rounding. Some credits that are available have been excluded from the table because there are too few individual claimants for a meaningful comparison.

Individual Income Tax for Tax Year 2017 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 2017. The tables show the following:

- About 46.3% of tax filers had WAGI less than \$30,000, but they accounted for only 8.8% of total WAGI and 2.8% of net tax.
- At the other end of the income scale, the 0.58% of tax filers with WAGI in excess of \$500,000 received 13.9% of total WAGI and paid 17.9% of net tax. Tax filers with WAGI between \$100,000 and \$500,000 accounted for 13.3% of all filers, 37.6% of total WAGI, and 44.0% of net tax.
- The \$30,000 – \$50,000 income class accounted for roughly 18.3% of filers, 12.6% of total WAGI, and 9.0% of net tax.
- Those in the \$50,000 – \$100,000 income class were 21.6% of all filers, 27.1% of total WAGI, and 26.3% 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 16% 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 \$84,500 for individuals who are married filing jointly (\$42,250 if married filing separately and \$54,300 if single).³ 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 4.4% for all income classes, but rise from less than 1% for incomes below \$20,000 to 5.6% 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.

³ The Wisconsin AMT will be eliminated after tax year 2018.

Table 2A
Distribution of Tax Filers, WAGI, and Tax by WAGI Class, Tax Year 2017

WAGI Class	All Tax Filers		Wis. Adjusted Gross Income (WAGI)		
	Count	%	Total Amount (\$)	%	Average (\$)
Less than \$0	49,570	1.6%	(1,304,481,670)	-0.8%	(26,310)
\$0 - <5,000	408,650	13.4	629,981,230	0.4	1,540
\$5,000 - <10,000	231,350	7.6	1,715,701,840	1.0	7,420
\$10,000 - <15,000	193,310	6.3	2,406,408,150	1.4	12,450
\$15,000 - <20,000	180,310	5.9	3,150,920,260	1.8	17,480
\$20,000 - <25,000	177,290	5.8	3,988,635,660	2.3	22,500
\$25,000 - <30,000	173,580	5.7	4,769,402,980	2.7	27,480
\$30,000 - <40,000	311,990	10.2	10,867,375,550	6.3	34,830
\$40,000 - <50,000	246,410	8.1	11,036,500,990	6.4	44,790
\$50,000 - <70,000	340,680	11.1	20,188,107,290	11.6	59,260
\$70,000 - <100,000	319,780	10.5	26,767,035,810	15.4	83,700
\$100,000 - <200,000	331,860	10.9	44,076,695,350	25.4	132,820
\$200,000 - <500,000	74,570	2.4	21,209,298,140	12.2	284,430
\$500,000 - 1,000,000	12,220	0.4	8,223,242,270	4.7	672,770
\$1,000,000 and over	5,610	0.2	15,856,491,670	9.1	2,828,990
Total	3,057,180	100.0%	173,581,000,000	100.0%	56,780

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

Table 2B
Distribution of Tax Filers and Net Tax by WAGI Class, Tax Year 2017

WAGI CLASS	Filers with Net Tax		Net Income Tax*			Net Income Tax Rate**
	Count	%	Amount (\$)	%	Average (\$)	
Less than \$0	10	0.0%	(5,770)	0.0%	(480)	0.0%
\$0 - <5,000	42,500	1.9	3,633,770	0.0	90	0.6
\$5,000 - <10,000	29,460	1.3	6,908,130	0.1	230	0.4
\$10,000 - <15,000	81,850	3.7	12,736,240	0.2	160	0.5
\$15,000 - <20,000	121,320	5.5	29,844,180	0.4	250	0.9
\$20,000 - <25,000	145,840	6.6	58,739,240	0.8	400	1.5
\$25,000 - <30,000	155,690	7.1	97,418,570	1.3	630	2.0
\$30,000 - <40,000	303,670	13.8	302,770,960	4.0	1,000	2.8
\$40,000 - <50,000	243,400	11.1	383,639,220	5.1	1,580	3.5
\$50,000 - <70,000	337,430	15.3	802,314,540	10.6	2,380	4.0
\$70,000 - <100,000	317,820	14.5	1,194,658,530	15.7	3,760	4.5
\$100,000 - <200,000	329,500	15.0	2,185,060,830	28.8	6,630	5.0
\$200,000 - <500,000	73,360	3.3	1,158,619,380	15.3	15,790	5.5
\$500,000 - 1,000,000	11,970	0.5	499,397,200	6.6	41,730	6.1
\$1,000,000 and over	5,380	0.2	856,016,450	11.3	159,020	5.4
Total	2,199,190	100.0%	7,591,751,470	100.0%	3,450	4.4%

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

*After nonrefundable credits and before refundable credits. Excludes alternative minimum tax and 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 2017

WAGI Class	Filers with Minimum Tax		Minimum Tax		
	Count	%	Amount (\$)	%	Average (\$)
Less than \$0	210	3.3%	247,710	2.9%	1,190
\$0 - <5,000	2,520	39.9	1,211,370	14.4	480
\$5,000 - <10,000	470	7.4	309,050	3.7	660
\$10,000 - <15,000	280	4.4	312,260	3.7	1,100
\$15,000 - <20,000	160	2.5	191,790	2.3	1,180
\$20,000 - <25,000	120	1.9	189,530	2.2	1,570
\$25,000 - <30,000	100	1.6	110,320	1.3	1,160
\$30,000 - <40,000	150	2.4	166,970	2.0	1,110
\$40,000 - <50,000	120	1.9	190,260	2.3	1,650
\$50,000 - <70,000	170	2.7	261,900	3.1	1,550
\$70,000 - <100,000	200	3.2	440,680	5.2	2,260
\$100,000 - <200,000	500	7.9	1,114,400	13.2	2,240
\$200,000 - <500,000	1,120	17.7	2,132,140	25.3	1,910
\$500,000 - 1,000,000	190	3.0	868,690	10.3	4,670
\$1,000,000 and over	40	0.6	687,430	8.2	19,100
Total	6,320	100.0%	8,434,480	100.0%	1,330

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

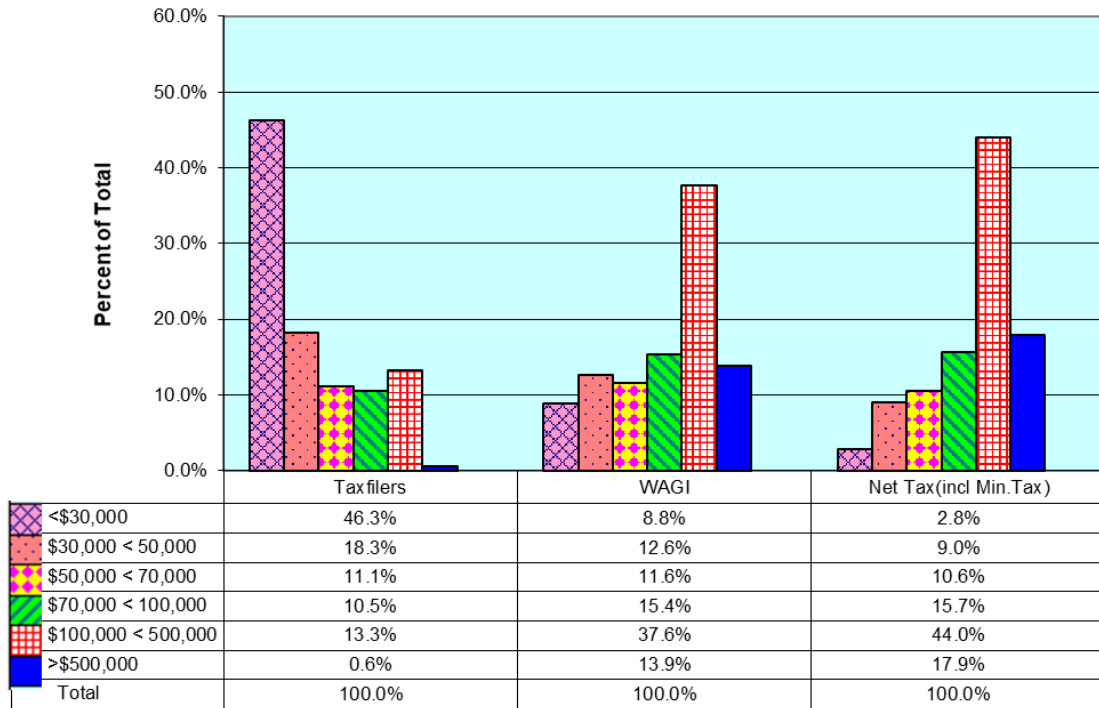
Table 2D
Distribution of Tax Filers and Total Net Tax Liability by WAGI Class, Tax Year 2017

WAGI Class	Tax filers with Net + Minimum Tax		Total Net Tax Liability (Net + Minimum Tax)			Average Tax Rate (%)**
	Count	%	Amount (\$)	%	Average (\$)	
Less than \$0	210	0.0%	241,940	0.0%	1,180	0.0%
\$0 - <5,000	43,150	2.0	4,845,140	0.1	110	0.8
\$5,000 - <10,000	29,480	1.3	7,217,170	0.1	240	0.4
\$10,000 - <15,000	81,870	3.7	13,048,500	0.2	160	0.5
\$15,000 - <20,000	121,330	5.5	30,035,970	0.4	250	1.0
\$20,000 - <25,000	145,840	6.6	58,928,760	0.8	400	1.5
\$25,000 - <30,000	155,690	7.1	97,528,890	1.3	630	2.0
\$30,000 - <40,000	303,660	13.8	302,937,930	4.0	1,000	2.8
\$40,000 - <50,000	243,400	11.1	383,829,480	5.1	1,580	3.5
\$50,000 - <70,000	337,430	15.3	802,576,430	10.6	2,380	4.0
\$70,000 - <100,000	317,810	14.4	1,195,099,220	15.7	3,760	4.5
\$100,000 - <200,000	329,480	15.0	2,186,175,240	28.8	6,640	5.0
\$200,000 - <500,000	73,330	3.3	1,160,751,520	15.3	15,830	5.5
\$500,000 - 1,000,000	11,960	0.5	500,265,890	6.6	41,840	6.1
\$1,000,000 and over	5,380	0.2	856,703,880	11.3	159,360	5.4
Total	2,200,000	100.0%	7,600,185,950	100.0%	3,450	4.38%

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 2017**



Distribution by Filing Status

Table 3 and Chart 2 show that married couples, whether filing separately or jointly, accounted for 40% of all filers in tax year 2017. They were responsible for 67% of total WAGI and 71% of total net tax liability. In contrast, single tax filers, though accounting for about the same share of filers as married couples, 44%, were responsible for 26% of WAGI and 24% 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 2017**

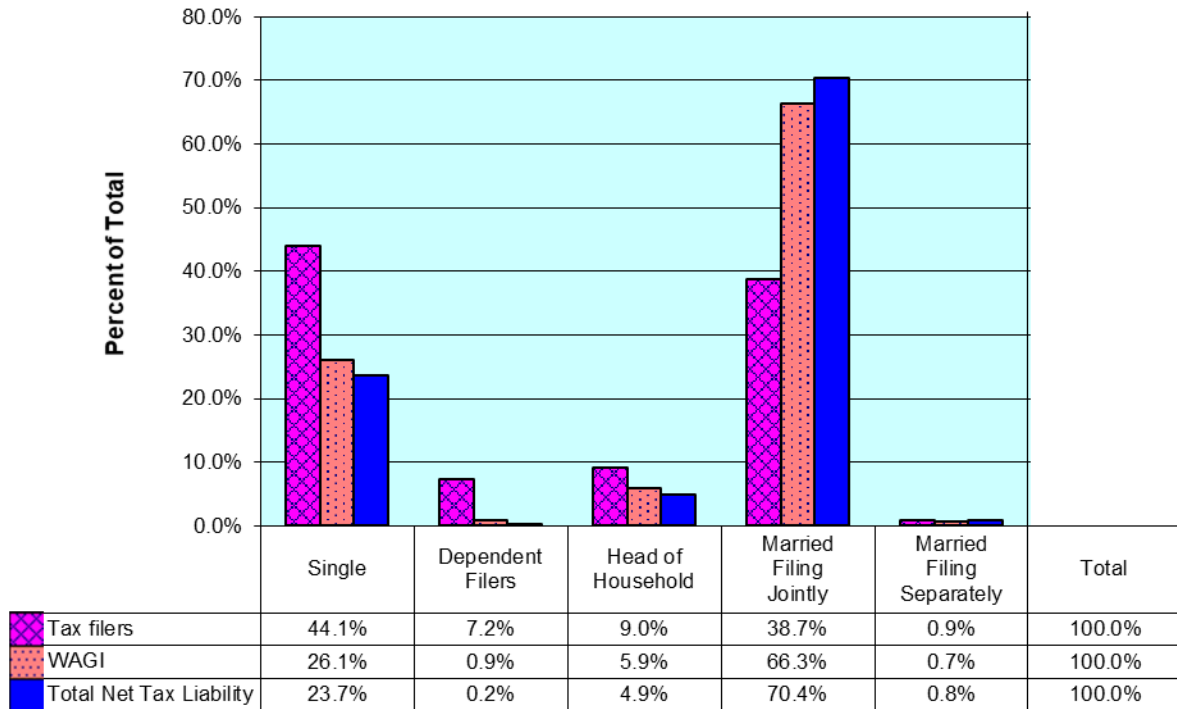
Filing Status	Tax filers		Wisconsin Adjusted Gross Income (WAGI)			Total Net Tax Liability*		Average Tax Rate** (%)
	Count	%	Total (\$ million)	%	Average (\$)	Total (\$ million)	%	
Single	1,347,530	44.1%	45,303.2	26.1%	33,620	1,802.4	23.7%	4.0%
Dependent Filers	221,290	7.2%	1,617.2	0.9%	7,310	15.6	0.2%	1.0%
Head of Household	276,590	9.0%	10,260.2	5.9%	37,100	372.6	4.9%	3.6%
Married Filing Jointly	1,184,250	38.7%	115,170.0	66.3%	97,250	5,349.2	70.4%	4.6%
Married Filing Separately	27,520	0.9%	1,230.9	0.7%	44,730	60.3	0.8%	4.9%
Total	3,057,180	100.0%	173,581.0	100.0%	56,780	7,600.2	100.0%	4.4%

* 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 2017



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 four largest nonrefundable credits are the itemized deduction credit, the school property tax credit, the credit for taxes paid to other states, 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 10% (7.5% for elderly filers) 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 3.06 million tax filers, about 647,000 (21.2%) claim the credit, but 623,000 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, more than 90% of filers with incomes of \$100,000 or more used the credit. The total amount of the used itemized deductions credit was \$262 million. About 96% 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.

Table 4
Distribution of Itemized Deductions Credit by WAGI Class, Tax Year 2017

WAGI Class	Tax Filers	Itemized Deductions Credit							
	Count	Total Claimed		Used Credit		Amount of Used Credit			Used amount / claimed amount
		Count	Amount (\$)	Count	% of filers in income class	(\$)	%	Average (\$)	
Less than \$0	49,570	4,170	5,603,670	0	0.0%	0	0.0%	-	0.0%
\$0 - <5,000	408,650	26,810	98,849,920	10,390	2.5	95,970	0.0	10	0.1
\$5,000 - <10,000	231,350	7,750	2,007,680	5,910	2.6	156,930	0.1	30	7.8
\$10,000 - <15,000	193,310	5,650	1,919,180	4,860	2.5	243,340	0.1	50	12.7
\$15,000 - <20,000	180,310	5,950	2,599,160	5,450	3.0	657,380	0.2	120	25.3
\$20,000 - <25,000	177,290	5,610	2,647,500	5,480	3.1	999,310	0.4	180	37.7
\$25,000 - <30,000	173,580	5,690	2,526,290	5,690	3.3	1,369,470	0.5	240	54.2
\$30,000 - <40,000	311,990	12,730	5,281,620	12,730	4.1	3,726,830	1.4	290	70.6
\$40,000 - <50,000	246,410	16,810	6,487,810	16,810	6.8	4,895,430	1.8	290	75.5
\$50,000 - <70,000	340,680	51,330	13,686,840	51,330	15.1	12,918,090	4.7	250	94.4
\$70,000 - <100,000	319,780	120,590	30,710,780	120,590	37.7	30,376,140	11.0	250	98.9
\$100,000 - <200,000	331,860	294,990	120,196,390	294,990	88.9	119,914,620	43.5	410	99.8
\$200,000 - <500,000	74,570	72,030	54,379,030	72,030	96.6	54,261,970	19.7	750	99.8
\$500,000 - 1,000,000	12,220	11,720	16,380,590	11,720	95.9	16,313,550	5.9	1,390	99.6
\$1,000,000 and over	5,610	5,250	29,852,350	5,250	93.6	29,852,350	10.8	5,690	100.0
Total	3,057,180	647,090	393,128,830	623,230	20.4%	275,781,390	100.0%	440	70.2%

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

School Property Tax Credit

The school property tax credit for tax year 2017 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 3.06 million tax filers, 2.03 million (or 66%) claimed a total of \$489 million in credits: \$363 million in property tax credits and \$126 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.) The credit is nonrefundable, so some filers who claim it may not be able to fully use it if they have more credit than tax liability. As such, 1.76 million filers were able to use the credit, and the total amount of used credit was \$421 million, or 86% 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 \$411 million in total used school property tax/rent credit, 40% 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 2017

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	49,570	13,650	3,109,350	230	2,950	508,690	170	16,400	3,618,040
\$0 - <5,000	408,650	62,160	14,504,940	230	46,310	6,733,780	150	106,490	21,238,710
\$5,000 - <10,000	231,350	39,330	9,199,530	230	41,740	5,752,970	140	79,740	14,952,500
\$10,000 - <15,000	193,310	40,870	9,623,270	240	52,180	7,557,940	140	91,600	17,181,220
\$15,000 - <20,000	180,310	45,540	10,861,360	240	58,750	9,224,990	160	102,590	20,086,350
\$20,000 - <25,000	177,290	49,270	11,770,420	240	63,340	10,445,450	160	110,560	22,215,870
\$25,000 - <30,000	173,580	54,690	13,204,480	240	66,890	11,627,150	170	119,050	24,831,630
\$30,000 - <40,000	311,990	117,900	28,699,330	240	117,650	21,681,630	180	230,070	50,380,950
\$40,000 - <50,000	246,410	118,190	29,415,340	250	81,600	16,193,370	200	194,630	45,608,710
\$50,000 - <70,000	340,680	210,840	54,694,580	260	86,590	18,737,020	220	289,700	73,431,590
\$70,000 - <100,000	319,780	250,580	68,364,110	270	48,190	11,238,040	230	291,910	79,602,160
\$100,000 - <200,000	331,860	294,680	84,734,600	290	23,490	5,668,450	240	313,040	90,403,050
\$200,000 - <500,000	74,570	67,260	19,812,240	290	2,800	705,650	250	69,450	20,517,890
\$500,000 - 1,000,000	12,220	10,840	3,215,100	300	250	66,890	270	11,060	3,281,980
\$1,000,000 and over	5,610	4,760	1,414,370	300	70	17,220	260	4,820	1,431,600
Total	3,057,180	1,380,550	362,623,030	260	692,790	126,159,230	180	2,031,090	488,782,250

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

Table 5 (continued)
Distribution of School Property Tax/Rent Credit by WAGI Class, Tax Year 2017

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	3,120	0.8	43,910	0.0%	10	0.2
\$5,000 - <10,000	4,690	2.0	154,440	0.0%	30	1.0
\$10,000 - <15,000	46,820	24.2	3,221,920	0.8%	70	18.8
\$15,000 - <20,000	80,940	44.9	12,304,090	2.9%	150	61.3
\$20,000 - <25,000	104,240	58.8	17,478,420	4.1%	170	78.7
\$25,000 - <30,000	118,440	68.2	23,994,490	5.7%	200	96.6
\$30,000 - <40,000	229,400	73.5	50,146,280	11.9%	220	99.5
\$40,000 - <50,000	194,260	78.8	45,493,220	10.8%	230	99.7
\$50,000 - <70,000	289,440	85.0	73,354,200	17.4%	250	99.9
\$70,000 - <100,000	291,820	91.3	79,573,520	18.9%	270	100.0
\$100,000 - <200,000	313,010	94.3	90,392,620	21.5%	290	100.0
\$200,000 - <500,000	69,440	93.1	20,516,770	4.9%	300	100.0
\$500,000 - 1,000,000	11,060	90.5	3,281,680	0.8%	300	100.0
\$1,000,000 and over	4,820	85.9	1,431,600	0.3%	300	100.0
Total	1,761,490	57.6%	421,387,160	100.0%	240	86.2%

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 2017, 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 55% of all married joint filers used the credit in 2017, as Table 6 shows. About 650,000 married couples were able to use a total of \$265 million in credits to lower their tax liability. Most of the benefits of the married couple credit go to the middle income class, with 85% of the used credits going to those with incomes between \$50,000 and \$200,000.

Table 6
Distribution of Married Couple Credit by WAGI Class, Tax Year 2017

WAGI Class	Married Joint Filers	Married Couple Credit							
		Total Claimed		Used Credit				Used amount / claimed amount	
	Count	Count	Amount (\$)	Count	% of filers in income class	Amount (\$)	% of Total Used		Average (\$)
Less than \$0	13,530	970	250,740	10	0.1%	2,570	0.0%	260	1.0%
\$0 - <5,000	67,340	2,110	215,450	280	0.4%	14,600	0.0%	50	6.8%
\$5,000 - <10,000	32,200	2,860	266,400	420	1.3%	31,030	0.0%	70	11.6%
\$10,000 - <15,000	31,300	4,350	509,490	520	1.7%	55,460	0.0%	110	10.9%
\$15,000 - <20,000	29,940	5,640	830,550	650	2.2%	89,410	0.0%	140	10.8%
\$20,000 - <25,000	34,150	7,210	1,234,010	2,070	6.0%	216,540	0.1%	100	17.5%
\$25,000 - <30,000	39,120	9,350	1,870,160	7,150	18.3%	872,280	0.3%	120	46.6%
\$30,000 - <40,000	80,870	25,830	6,410,940	25,740	31.8%	5,962,020	2.3%	230	93.0%
\$40,000 - <50,000	80,940	35,090	10,810,750	35,060	43.3%	10,793,510	4.1%	310	99.8%
\$50,000 - <70,000	167,040	100,520	38,126,920	100,500	60.2%	38,115,720	14.4%	380	100.0%
\$70,000 - <100,000	235,350	180,780	77,689,480	180,760	76.8%	77,682,580	29.3%	430	100.0%
\$100,000 - <200,000	291,490	242,020	108,243,130	242,020	83.0%	108,241,630	40.9%	450	100.0%
\$200,000 - <500,000	65,720	46,600	19,822,430	46,600	70.9%	19,821,950	7.5%	430	100.0%
\$500,000 - 1,000,000	10,610	5,760	2,264,800	5,760	54.3%	2,264,800	0.9%	390	100.0%
\$1,000,000 and over	4,670	2,060	761,500	2,060	44.2%	761,500	0.3%	370	100.0%
Total	1,184,250	671,150	269,306,740	649,610	54.9%	264,925,590	100.0%	410	98.4%

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

Credit for Taxes Paid to Other States

The credit for taxes paid to other states ensures that individuals who live in Wisconsin do not have to pay state income tax on income that has also been taxed by another state. In general, residents of a state are required to report all of their taxable income to their state of residency and calculate gross tax using all income, regardless of where it was earned. States also tax nonresident individuals on income earned in the state. The result is that some income may be taxable to more than one state. As such, every state offers a credit for residents to offset taxes paid to other states.

Similar to the credit, Wisconsin also has income tax reciprocity agreements with Illinois, Indiana, Kentucky, and Michigan for personal service income. Under these agreements, individuals who live in Wisconsin and work in the other states are not taxed by the other states on personal service income and consequently may not claim a credit for tax paid to the other state for that income. Wisconsin has also agreed to forgo taxing personal service income earned in Wisconsin by residents of the other states. These agreements allow individuals to file a tax return only for their resident state.

Individuals with income above \$200,000 claim about 58% of the total credit. Meanwhile, individuals with income below \$50,000 claim about 4% of the total credit. This generally reflects that high income filers have a larger share of income derived from out-of-state sources.

Table 7
Distribution of Credit for Taxes Paid to Other States by WAGI Class, Tax Year 2017

WAGI CLASS	Return	Credit for Taxes Paid to Other States							
	Count	Total Claimed		Used Credit				Used amount / claimed amount	
		Count	Amount (\$)	Count	as % of filers in income class	Amount (\$)	%		Aver. \$
Less than \$0	49,570	-	-	-	-	-	-	-	-
\$0 - <5,000	408,650	230	47,710	210	0.1%	43,160	0.0%	200	90.5%
\$5,000 - <10,000	231,350	310	34,010	310	0.1%	33,000	0.0%	110	97.0%
\$10,000 - <15,000	193,310	1,700	152,170	1,690	0.9%	151,640	0.1%	90	99.6%
\$15,000 - <20,000	180,310	2,090	401,610	2,080	1.2%	398,590	0.1%	190	99.2%
\$20,000 - <25,000	177,290	2,320	774,980	2,310	1.3%	769,410	0.3%	330	99.3%
\$25,000 - <30,000	173,580	2,670	1,331,660	2,670	1.5%	1,328,640	0.4%	500	99.8%
\$30,000 - <40,000	311,990	5,910	4,319,880	5,910	1.9%	4,315,640	1.5%	730	99.9%
\$40,000 - <50,000	246,410	5,720	6,077,380	5,710	2.3%	6,070,320	2.0%	1,060	99.9%
\$50,000 - <70,000	340,680	10,580	15,377,790	10,580	3.1%	15,366,420	5.2%	1,450	99.9%
\$70,000 - <100,000	319,780	13,660	27,288,690	13,650	4.3%	27,274,690	9.2%	2,000	99.9%
\$100,000 - <200,000	331,860	20,710	67,808,320	20,710	6.2%	67,784,080	22.8%	3,270	100.0%
\$200,000 - <500,000	74,570	7,860	41,403,760	7,850	10.5%	41,322,790	13.9%	5,270	99.8%
\$500,000 - 1,000,000	12,220	2,230	23,042,330	2,230	18.2%	22,999,710	7.7%	10,330	99.8%
\$1,000,000 and over	5,610	1,780	109,652,870	1,770	31.5%	109,493,110	36.8%	61,930	99.9%
Total	3,057,180	77,760	297,717,280	77,680	2.5%	297,354,390	100.0%	3,830	99.9%

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

Other Nonrefundable Credits

Tables 8A – 8L provide information on the remaining nonrefundable credits. Credits that have been repealed and are only available as carryovers from prior years have been excluded. Additionally, the capital investment credit, the development zone credits, and the technology zone credit have been excluded from the tables. In these cases, 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 3,000 filers at a cost of \$851,000. About 64% 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 2017**

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	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	-	0.0%	-	0.0%	-
\$5,000 - <10,000	231,350	<5	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	130	0.1%	11,970	1.4%	90
\$15,000 - <20,000	180,310	240	0.1%	62,040	7.3%	260
\$20,000 - <25,000	177,290	510	0.3%	140,490	16.5%	280
\$25,000 - <30,000	173,580	520	0.3%	152,140	17.9%	290
\$30,000 - <40,000	311,990	580	0.2%	174,420	20.5%	300
\$40,000 - <50,000	246,410	360	0.1%	107,130	12.6%	300
\$50,000 - <70,000	340,680	330	0.1%	103,030	12.1%	310
\$70,000 - <100,000	319,780	190	0.1%	58,350	6.9%	310
\$100,000 - <200,000	331,860	130	0.0%	37,190	4.4%	290
\$200,000 - <500,000	74,570	10	0.0%	3,070	0.4%	310
\$500,000 - <1,000,000	12,220	<5	0.0%	-	0.0%	-
\$1,000,000 and over	5,610	-	0.0%	-	0.0%	-
Total	3,057,180	3,000	0.1%	850,600	100.0%	280

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

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 2017, 310 filers benefited from it at a total cost of approximately \$107,000

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 eliminated the tax liability for most filers who would otherwise claim this credit. The current claimants of the credit are almost exclusively married filers in which one spouse is a resident and one spouse is a nonresident. Because the credit does not consider out of state income these tend to be the only filers with tax liability and Wisconsin income in the eligibility range.

**Table 8B
Distribution of Working Families Tax Credit by WAGI Class, Tax Year 2017**

WAGI Class	Tax filers	Used Working Families Tax Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	49,570	-	-	-	-	-
\$0 - <5,000	408,650	70	0.0%	8,280	7.7%	120
\$5,000 - <10,000	231,350	90	0.0%	25,190	23.6%	280
\$10,000 - <15,000	193,310	80	0.0%	41,260	38.6%	490
\$15,000 - <20,000	180,310	60	0.0%	32,160	30.1%	530
\$20,000 - <25,000	177,290	-	-	-	-	-
\$25,000 - <30,000	173,580	-	-	-	-	-
\$30,000 - <40,000	311,990	-	-	-	-	-
\$40,000 - <50,000	246,410	-	-	-	-	-
\$50,000 - <70,000	340,680	-	-	-	-	-
\$70,000 - <100,000	319,780	-	-	-	-	-
\$100,000 - <200,000	331,860	-	-	-	-	-
\$200,000 - <500,000	74,570	-	-	-	-	-
\$500,000 - <1,000,000	12,220	-	-	-	-	-
\$1,000,000 and over	5,610	-	-	-	-	-
Total	3,057,180	310	0.0%	106,880	100.0%	350

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

The historic credits (see Table 8C) were used by 370 tax filers, totaling \$2.2 million for an average credit of \$5,890. Filers with income of \$70,000 or more accounted for 96% of the credit amounts. Individuals primarily claim the state credit for rehabilitating personal residences, but both individuals and corporations may claim the credit for rehabilitating commercial buildings. The table does not reflect corporate claims which comprise the majority of credits related to commercial buildings.

**Table 8C
Distribution of Historic Credits by WAGI Class, Tax Year 2017**

WAGI Class	Tax filers	Used Historic Credits				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	<5	0.0%	-	0.0%	-
\$5,000 - <10,000	231,350	-	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	-	0.0%	-	0.0%	-
\$15,000 - <20,000	180,310	-	0.0%	-	0.0%	-
\$20,000 - <25,000	177,290	<5	0.0%	-	0.0%	-
\$25,000 - <30,000	173,580	10	0.0%	4,230	0.2%	420
\$30,000 - <40,000	311,990	10	0.0%	4,810	0.2%	480
\$40,000 - <50,000	246,410	10	0.0%	15,170	0.7%	1,520
\$50,000 - <70,000	340,680	30	0.0%	56,880	2.6%	1,900
\$70,000 - <100,000	319,780	60	0.0%	137,110	6.3%	2,290
\$100,000 - <200,000	331,860	120	0.0%	426,520	19.6%	3,550
\$200,000 - <500,000	74,570	90	0.1%	572,080	26.2%	6,360
\$500,000 - <1,000,000	12,220	20	0.2%	435,860	20.0%	21,790
\$1,000,000 and over	5,610	10	0.2%	526,870	24.2%	52,690
Total	3,057,180	370	0.0%	2,179,840	100.0%	5,890

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

The angel investment credit (see Table 8D) benefited 510 tax filers at a cost of \$4.8 million for an average credit of \$9,420. About 96% of this credit went to filers with income of \$100,000 or more, and 60% of this credit went to filers with income of \$500,000 or more. The angel investment credit is not available to corporate taxpayers, so the table below represents all claims for 2017.

**Table 8D
Distribution of Angel Investment Credit by WAGI Class for Tax Year 2017**

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	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	10	0.0%	18,610	0.4%	1,860
\$5,000 - <10,000	231,350	<5	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	-	0.0%	-	0.0%	-
\$15,000 - <20,000	180,310	<5	0.0%	-	0.0%	-
\$20,000 - <25,000	177,290	<5	0.0%	-	0.0%	-
\$25,000 - <30,000	173,580	<5	0.0%	-	0.0%	-
\$30,000 - <40,000	311,990	10	0.0%	5,840	0.1%	580
\$40,000 - <50,000	246,410	10	0.0%	16,710	0.3%	1,670
\$50,000 - <70,000	340,680	20	0.0%	36,470	0.8%	1,820
\$70,000 - <100,000	319,780	30	0.0%	93,110	1.9%	3,100
\$100,000 - <200,000	331,860	100	0.0%	530,530	11.0%	5,310
\$200,000 - <500,000	74,570	160	0.2%	1,216,030	25.3%	7,600
\$500,000 - <1,000,000	12,220	90	0.7%	1,282,910	26.7%	14,250
\$1,000,000 and over	5,610	70	1.2%	1,597,590	33.3%	22,820
Total	3,057,180	510	0.0%	4,804,310	100.0%	9,420

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

The early stage seed investment credit (see Table 8E) was used by 340 tax filers at a cost of \$1.6 million. The average credit was \$4,840. Filers with incomes of \$200,000 or more accounted for 94% of the credit amount. The credit is also available to corporations, so the table does not reflect all credit claimants. The credit is transferable, so it is possible for a claimant to be someone other than the early stage seed investor.

Table 8E
Distribution of Seed Investment Credit by WAGI Class for Tax Year 2017

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	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	10	0.0%	170	0.0%	20
\$5,000 - <10,000	231,350	-	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	<5	0.0%	-	0.0%	-
\$15,000 - <20,000	180,310	<5	0.0%	-	0.0%	-
\$20,000 - <25,000	177,290	<5	0.0%	-	0.0%	-
\$25,000 - <30,000	173,580	<5	0.0%	-	0.0%	-
\$30,000 - <40,000	311,990	<5	0.0%	-	0.0%	-
\$40,000 - <50,000	246,410	<5	0.0%	-	0.0%	-
\$50,000 - <70,000	340,680	10	0.0%	8,410	0.5%	840
\$70,000 - <100,000	319,780	10	0.0%	22,110	1.3%	2,210
\$100,000 - <200,000	331,860	40	0.0%	49,630	3.0%	1,240
\$200,000 - <500,000	74,570	100	0.1%	378,890	23.0%	3,790
\$500,000 - <1,000,000	12,220	70	0.6%	393,130	23.9%	5,620
\$1,000,000 and over	5,610	90	1.6%	780,700	47.5%	8,670
Total	3,057,180	340	0.0%	1,644,360	100.0%	4,840

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

The manufacturing investment credit (see Table 8F) was used by 80 tax filers at a cost of \$205,000. The average credit was \$2,560. Filers with incomes of \$1,000,000 or more accounted for 54% of the credit amount. The credit is also available to corporations, so the table does not reflect all credit claimants. The manufacturing investment credit, as opposed to the manufacturing portion of the manufacturing and agriculture credit, is for claimants who had significant unused carryforwards at the time of repeal of the credit for sales tax paid on fuel and electricity used in manufacturing.

**Table 8F
Distribution of Manufacturing Investment Credit by WAGI Class for Tax Year 2017**

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	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	10	0.0%	1,060	0.5%	110
\$5,000 - <10,000	231,350	<5	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	<5	0.0%	-	0.0%	-
\$15,000 - <20,000	180,310	<5	0.0%	-	0.0%	-
\$20,000 - <25,000	177,290	-	0.0%	-	0.0%	-
\$25,000 - <30,000	173,580	-	0.0%	-	0.0%	-
\$30,000 - <40,000	311,990	<5	0.0%	-	0.0%	-
\$40,000 - <50,000	246,410	<5	0.0%	-	0.0%	-
\$50,000 - <70,000	340,680	-	0.0%	-	0.0%	-
\$70,000 - <100,000	319,780	-	0.0%	-	0.0%	-
\$100,000 - <200,000	331,860	10	0.0%	3,230	1.6%	320
\$200,000 - <500,000	74,570	20	0.0%	27,470	13.4%	1,370
\$500,000 - <1,000,000	12,220	10	0.1%	57,060	27.8%	5,710
\$1,000,000 and over	5,610	30	0.5%	109,880	53.6%	3,660
Total	3,057,180	80	0.0%	205,150	100.0%	2,560

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

The economic development credit (see Table 8G) was used by 250 tax filers at a cost of \$2.1 million. The average credit was \$8,390. Filers with incomes of \$500,000 or more accounted for 84% of the credit amount. The credit is also available to corporations, so the table does not reflect all credit claimants.

**Table 8G
Distribution of the Economic Development Credit by WAGI Class for Tax Year 2017**

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	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	-	0.0%	-	0.0%	-
\$5,000 - <10,000	231,350	<5	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	<5	0.0%	-	0.0%	-
\$15,000 - <20,000	180,310	<5	0.0%	-	0.0%	-
\$20,000 - <25,000	177,290	<5	0.0%	-	0.0%	-
\$25,000 - <30,000	173,580	<5	0.0%	-	0.0%	-
\$30,000 - <40,000	311,990	-	0.0%	-	0.0%	-
\$40,000 - <50,000	246,410	<5	0.0%	-	0.0%	-
\$50,000 - <70,000	340,680	10	0.0%	3,040	0.1%	300
\$70,000 - <100,000	319,780	20	0.0%	7,810	0.4%	390
\$100,000 - <200,000	331,860	60	0.0%	87,300	4.2%	1,460
\$200,000 - <500,000	74,570	70	0.1%	229,340	10.9%	3,280
\$500,000 - <1,000,000	12,220	30	0.2%	233,350	11.1%	7,780
\$1,000,000 and over	5,610	50	0.9%	1,532,130	73.0%	30,640
Total	3,057,180	250	0.0%	2,097,640	100.0%	8,390

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

The community rehabilitation program credit (see Table 8H) was used by 130 tax filers at a cost of \$61,000. The average credit was \$470. Filers with incomes of \$200,000 or more accounted for 77% of the credit amount. The credit is also available to corporations, so the table does not reflect all credit claimants.

**Table 8H
Distribution of Community Rehabilitation Program Credit by WAGI Class for Tax Year 2017**

WAGI Class	Tax filers	Used Community Rehabilitation Program Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	<5	0.0%	-	0.0%	-
\$5,000 - <10,000	231,350	<5	0.0%	-	0.0%	-
\$10,000 - <15,000	193,310	<5	0.0%	-	0.0%	-
\$15,000 - <20,000	180,310	<5	0.0%	-	0.0%	-
\$20,000 - <25,000	177,290	<5	0.0%	-	0.0%	-
\$25,000 - <30,000	173,580	-	0.0%	-	0.0%	-
\$30,000 - <40,000	311,990	<5	0.0%	-	0.0%	-
\$40,000 - <50,000	246,410	-	0.0%	-	0.0%	-
\$50,000 - <70,000	340,680	<5	0.0%	-	0.0%	-
\$70,000 - <100,000	319,780	<5	0.0%	-	0.0%	-
\$100,000 - <200,000	331,860	10	0.0%	9,940	16.4%	990
\$200,000 - <500,000	74,570	40	0.1%	5,720	9.4%	140
\$500,000 - <1,000,000	12,220	20	0.2%	6,310	10.4%	320
\$1,000,000 and over	5,610	40	0.7%	34,760	57.3%	870
Total	3,057,180	130	0.0%	60,640	100.0%	470

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

The manufacturing portion of the manufacturing and agriculture credit (see Table 8I) was used by 6,230 tax filers at a cost of \$210 million. The average credit was \$33,680. Filers with incomes of \$1,000,000 or more accounted for 81% of the credit amount. The credit is also available to corporations, so the table does not reflect all credit claimants.

Table 8I
Distribution of the Manufacturing Credit by WAGI Class for Tax Year 2017

WAGI Class	Tax filers	Used Manufacturing Credit				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	230	0.1%	42,750	0.0%	190
\$5,000 - <10,000	231,350	130	0.1%	48,350	0.0%	370
\$10,000 - <15,000	193,310	70	0.0%	37,460	0.0%	540
\$15,000 - <20,000	180,310	90	0.0%	81,310	0.0%	900
\$20,000 - <25,000	177,290	50	0.0%	42,450	0.0%	850
\$25,000 - <30,000	173,580	50	0.0%	42,490	0.0%	850
\$30,000 - <40,000	311,990	130	0.0%	104,900	0.1%	810
\$40,000 - <50,000	246,410	150	0.1%	175,620	0.1%	1,170
\$50,000 - <70,000	340,680	230	0.1%	337,800	0.2%	1,470
\$70,000 - <100,000	319,780	360	0.1%	684,760	0.3%	1,900
\$100,000 - <200,000	331,860	1,190	0.4%	3,975,100	1.9%	3,340
\$200,000 - <500,000	74,570	1,580	2.1%	14,595,920	7.0%	9,240
\$500,000 - <1,000,000	12,220	840	6.9%	19,796,170	9.4%	23,570
\$1,000,000 and over	5,610	1,140	20.3%	169,832,910	81.0%	148,980
Total	3,057,180	6,230	0.2%	209,797,990	100.0%	33,680

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

The agriculture portion of the manufacturing and agriculture credit (see Table 8J) was used by 4,660 tax filers at a cost of \$14 million. The average credit was \$2,950. Filers with incomes of \$100,000 or more accounted for 70% of the credit amount. The credit is also available to corporations, so the table does not reflect all credit claimants.

Table 8J
Distribution of the Agriculture Credit by WAGI Class for Tax Year 2017

WAGI Class	Tax filers		Used Agriculture Credit			
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	10	0.0%	1,360	0.0%	140
\$5,000 - <10,000	231,350	10	0.0%	2,120	0.0%	210
\$10,000 - <15,000	193,310	60	0.0%	5,460	0.0%	90
\$15,000 - <20,000	180,310	90	0.0%	18,520	0.1%	210
\$20,000 - <25,000	177,290	120	0.1%	40,270	0.3%	340
\$25,000 - <30,000	173,580	230	0.1%	69,480	0.5%	300
\$30,000 - <40,000	311,990	550	0.2%	263,660	1.9%	480
\$40,000 - <50,000	246,410	510	0.2%	449,830	3.3%	880
\$50,000 - <70,000	340,680	920	0.3%	1,274,020	9.3%	1,380
\$70,000 - <100,000	319,780	910	0.3%	2,001,990	14.6%	2,200
\$100,000 - <200,000	331,860	850	0.3%	3,268,770	23.8%	3,850
\$200,000 - <500,000	74,570	270	0.4%	2,404,160	17.5%	8,900
\$500,000 - <1,000,000	12,220	60	0.5%	1,422,610	10.3%	23,710
\$1,000,000 and over	5,610	50	0.9%	2,523,970	18.4%	50,480
Total	3,057,180	4,660	0.2%	13,746,220	100.0%	2,950

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

The research credits (see Table 8K) were used by 3,070 tax filers at a cost of \$19 million. Credits may be claimed for qualified research expenses as defined under federal law, for qualified research expenses for activities related to internal combustion engines, and qualified research expenses for activities related to energy efficient products. The average credit was \$6,260. Filers with incomes of \$500,000 or more accounted for 83% of the credit amounts. The credits were also available to corporations, so the table does not reflect all credit claimants.

**Table 8K
Distribution of the Research Credits by WAGI Class for Tax Year 2017**

WAGI Class	Tax filers	Used Research Credits				
	Count	Count	As % of filers in income class	Amount (\$)	% of Total Used	Average Credit (\$)
Less than \$0	49,570	-	0.0%	-	0.0%	-
\$0 - <5,000	408,650	60	0.0%	61,480	0.3%	1,020
\$5,000 - <10,000	231,350	30	0.0%	3,670	0.0%	120
\$10,000 - <15,000	193,310	20	0.0%	4,480	0.0%	220
\$15,000 - <20,000	180,310	20	0.0%	6,050	0.0%	300
\$20,000 - <25,000	177,290	20	0.0%	5,130	0.0%	260
\$25,000 - <30,000	173,580	20	0.0%	6,000	0.0%	300
\$30,000 - <40,000	311,990	60	0.0%	38,810	0.2%	650
\$40,000 - <50,000	246,410	40	0.0%	30,900	0.2%	770
\$50,000 - <70,000	340,680	90	0.0%	56,330	0.3%	630
\$70,000 - <100,000	319,780	140	0.0%	127,270	0.7%	910
\$100,000 - <200,000	331,860	540	0.2%	741,100	3.9%	1,370
\$200,000 - <500,000	74,570	800	1.1%	2,277,990	11.9%	2,850
\$500,000 - <1,000,000	12,220	490	4.0%	2,291,690	11.9%	4,680
\$1,000,000 and over	5,610	760	13.5%	13,558,280	70.6%	17,840
Total	3,057,180	3,070	0.1%	19,209,180	100.0%	6,260

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

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 enterprise zone jobs credit, the jobs tax credit, the business development credit, and the electronics and information technology manufacturing zone 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-9D provide information on the veterans and surviving spouses property tax credit, the enterprise zone jobs credit, the jobs tax credit, and the business development credit, respectively. There were no claims for the electronics and information technology manufacturing zone credit in 2017. 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. Eligible veterans and surviving spouses may claim this credit in the amount of the property taxes paid during the year on the claimant's principal dwelling in Wisconsin. As shown in Table 9A, 10,040 tax filers claimed the credit in tax year 2017 at a total cost to the state of \$30.0 million. Seventy three percent of the credit was used by claimants with income below \$40,000. The average credit was \$2,990.

Table 9A
Veterans and Surviving Spouses Property Tax Credit, by Income Class, Tax Year 2017

WAGI Class	Tax filers Count	Veterans and Surviving Spouses Property Tax Credit				Aver. Credit (\$)
		Number of Participants		Amount		
		Count	as % of filers in income class	(\$)	%	
Less than \$0	49,570	350	0.7%	966,420	3.2%	2,760
\$0 - <5,000	408,650	3,500	0.9%	8,863,980	29.5%	2,530
\$5,000 - <10,000	231,350	890	0.4%	2,465,110	8.2%	2,770
\$10,000 - <15,000	193,310	700	0.4%	1,991,400	6.6%	2,840
\$15,000 - <20,000	180,310	640	0.4%	1,864,600	6.2%	2,910
\$20,000 - <25,000	177,290	500	0.3%	1,471,620	4.9%	2,940
\$25,000 - <30,000	173,580	530	0.3%	1,649,590	5.5%	3,110
\$30,000 - <40,000	311,990	830	0.3%	2,553,650	8.5%	3,080
\$40,000 - <50,000	246,410	590	0.2%	2,001,710	6.7%	3,390
\$50,000 - <70,000	340,680	710	0.2%	2,587,500	8.6%	3,640
\$70,000 - <100,000	319,780	450	0.1%	1,865,050	6.2%	4,140
\$100,000 - <200,000	331,860	290	0.1%	1,455,010	4.8%	5,020
\$200,000 - <500,000	74,570	50	0.1%	263,660	0.9%	5,270
\$500,000 - <1,000,000	12,220	<5	0.0%	-	0.0%	-
\$1,000,000 and over	5,610	<5	0.0%	-	0.0%	-
Total	3,057,180	10,040	0.3%	30,045,150	100.0%	2,990

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

In order to claim the enterprise zone jobs credit, businesses must be located in a designated enterprise zone and certified by WEDC. WEDC may certify businesses for tax benefits based on activities in the designated zones, including creating or retaining jobs, making significant capital investments, conducting employee training, and maintaining a supply chain in Wisconsin. As shown in Table 9B, the credit is targeted at a relatively small number of taxpayers. Only 70 individual tax filers claimed the credit in tax year 2017 at a cost to the state of \$4.1 million. The credit is primarily awarded to corporations, so the table does not reflect most credit claimants.

**Table 9B
Enterprise Zone Jobs Credit, by Income Class, Tax Year 2017**

WAGI Class	Tax filers Count	Enterprise Zone Jobs Credit				Aver. Credit (\$)
		Number of Participants		Amount		
	Count	as % of filers in income class	(\$)	%		
Less than \$100,000	2,632,920	20	0.0%	78,560	1.9%	3,930
\$100,000 and over	424,260	50	0.0%	4,015,820	98.1%	80,320
Total	3,057,180	70	0.0%	4,094,370	100.0%	58,490

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

In order to claim the jobs tax credit, businesses must be certified by the WEDC. The WEDC may award jobs tax credits to businesses that are operating or intending to operate in Wisconsin and pursuant to a contract with WEDC. The credit is based on the amount of wages paid to eligible employees in the taxable year, subject to a maximum amount of 10% of such wages, and the costs incurred by the claimant to undertake training activities in the current year. WEDC may award a taxpayer credits over a multi-year period. For tax years 2016 and thereafter, the jobs tax credit has been merged with the nonrefundable economic development credit to create the new business development credit. However, WEDC may still award credits for multi-year contracts initially in effect prior to January 1, 2016. As shown in Table 9C, the credit is targeted at a relatively small number of taxpayers. Only 20 individual tax filers claimed the credit in tax year 2017 at a cost to the state of \$2.8 million. The credit was also available to corporations, so the table does not reflect all credit claimants.

**Table 9C
Jobs Tax Credit, by Income Class, Tax Year 2017**

WAGI Class	Tax filers Count	Jobs Tax Credit				Aver. Credit (\$)
		Number of Participants		Amount		
		Count	as % of filers in income class	(\$)	%	
Less than \$500,000	3,039,350	10	0.0%	58,760	2.1%	5,876
\$500,000 and over	17,830	10	0.1%	2,773,530	97.9%	277,353
Total	3,057,180	20	0.0%	2,832,290	100.0%	141,615

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

For tax years 2016 and thereafter, the business development tax credit was created to replace the jobs tax credit and the nonrefundable economic development credit. Under the replacement program WEDC may certify individuals to receive credits based on certain employment and investment in Wisconsin businesses. As shown in Table 9D, the credit is targeted at a relatively small number of taxpayers. Only 150 individual tax filers claimed the credit in tax year 2017 at a cost to the state of \$2.4 million. The credit was also available to corporations, so the table does not reflect all credit claimants.

**Table 9D
Business Development Credit, by Income Class, Tax Year 2017**

WAGI Class	Tax Filers	Business Development Tax Credit				Aver. Credit (\$)
		Number of Participants		Amount		
	Count	Count	as % of filers in income class	(\$)	%	
Less than \$100,000	3,039,350	30	0.0%	513,720	21.8%	17,124
\$100,000 and over	17,830	120	0.7%	1,837,880	78.2%	15,316
Total	3,057,180	150	0.0%	2,351,600	100.0%	15,677

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

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 use tax on purchases from out-of-state firms, including online sellers and catalog retailers, on which the sales tax was not charged at the time of purchase. Use taxes are taxes paid by Wisconsin residents to the state of Wisconsin on purchases from out-of-state firms. As seen in Table 10, about 1.8% of filers (55,000) report use tax. Total use tax collected through the income tax return amounted to \$3.4 million, for an average of \$60. The reporting rate increases with income.

Table 10
Use Tax for Tax Year 2017

WAGI Class	Tax filers	Use Tax On Income Tax Form				Average Use Tax (\$)
		Number of Participants		Amount		
	Count	Count	as % of filers in income class	(\$)	%	
Less than \$0	49,570	310	0.6%	34,820	1.0%	110
\$0 - <5,000	408,650	1,860	0.5%	76,530	2.3%	40
\$5,000 - <10,000	231,350	1,730	0.7%	64,850	1.9%	40
\$10,000 - <15,000	193,310	1,720	0.9%	69,870	2.1%	40
\$15,000 - <20,000	180,310	1,840	1.0%	82,450	2.4%	40
\$20,000 - <25,000	177,290	1,930	1.1%	87,710	2.6%	50
\$25,000 - <30,000	173,580	2,120	1.2%	128,060	3.8%	60
\$30,000 - <40,000	311,990	4,590	1.5%	211,360	6.3%	50
\$40,000 - <50,000	246,410	4,460	1.8%	202,550	6.0%	50
\$50,000 - <70,000	340,680	7,600	2.2%	399,010	11.8%	50
\$70,000 - <100,000	319,780	8,750	2.7%	477,900	14.2%	50
\$100,000 - <200,000	331,860	12,330	3.7%	751,960	22.3%	60
\$200,000 - <500,000	74,570	4,150	5.6%	427,990	12.7%	100
\$500,000 - 1,000,000	12,220	940	7.7%	131,970	3.9%	140
\$1,000,000 and over	5,610	510	9.0%	222,240	6.6%	440
Total	3,057,180	54,830	1.8%	3,369,250	100.0%	60

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

Tax Check-Offs

The Legislature has authorized several charitable causes to collect donations directly from the tax form. In addition to express authorization by the Legislature to appear on the tax form, a check-off must receive over a rolling three year period beginning in 2014 an average annual donation total that exceeds \$50,000.

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 11A, in tax year 2017, 12,850 filers donated a total of about \$281,000 or an average of \$22 for every donor. The average ranged from \$12 for incomes below \$10,000 to \$358 at incomes between \$500,000 and \$1,000,000. The participation rate was highest for the \$100,000 - \$200,000 income range.

**Table 11A
Endangered Resources Donation for Tax Year 2017**

WAGI Class	Tax filers	Endangered Resources Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	49,570	40	0.1%	710	0.3%	18
\$0 - <5,000	408,650	430	0.1%	5,170	1.8%	12
\$5,000 - <10,000	231,350	570	0.2%	7,000	2.5%	12
\$10,000 - <15,000	193,310	620	0.3%	7,820	2.8%	13
\$15,000 - <20,000	180,310	650	0.4%	9,380	3.3%	14
\$20,000 - <25,000	177,290	660	0.4%	9,000	3.2%	14
\$25,000 - <30,000	173,580	710	0.4%	13,470	4.8%	19
\$30,000 - <40,000	311,990	1,330	0.4%	23,670	8.4%	18
\$40,000 - <50,000	246,410	1,220	0.5%	22,350	8.0%	18
\$50,000 - <70,000	340,680	1,820	0.5%	33,880	12.1%	19
\$70,000 - <100,000	319,780	1,940	0.6%	43,450	15.5%	22
\$100,000 - <200,000	331,860	2,320	0.7%	60,890	21.7%	26
\$200,000 - <500,000	74,570	490	0.7%	22,900	8.1%	47
\$500,000 - 1,000,000	12,220	40	0.4%	14,330	5.1%	358
\$1,000,000 and over	5,610	20	0.3%	7,060	2.5%	353
Total	3,057,180	12,850	0.4%	281,080	100.0%	22

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

Cancer Research Donation

This donation allows taxpayers to make a donation towards cancer research. The donation either reduces a taxpayer's refund, or adds to tax due. As Table 11B reports, approximately 8,740 filers gave a total of \$179,000 for an average of \$20. Donors with income below \$100,000 gave \$18 on average, while donors with income \$100,000 or more donated \$29 on average.

**Table 11B
Cancer Research Donation for Tax Year 2017**

WAGI Class	Tax filers	Cancer Research Donation				Average (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	49,570	50	0.1%	1,140	0.6%	23
\$0 - <5,000	408,650	350	0.1%	4,720	2.6%	13
\$5,000 - <10,000	231,350	480	0.2%	6,080	3.4%	13
\$10,000 - <15,000	193,310	490	0.3%	7,180	4.0%	15
\$15,000 - <20,000	180,310	480	0.3%	8,980	5.0%	19
\$20,000 - <25,000	177,290	560	0.3%	10,090	5.6%	18
\$25,000 - <30,000	173,580	550	0.3%	11,530	6.5%	21
\$30,000 - <40,000	311,990	1,030	0.3%	18,250	10.2%	18
\$40,000 - <50,000	246,410	790	0.3%	16,730	9.4%	21
\$50,000 - <70,000	340,680	1,150	0.3%	23,450	13.1%	20
\$70,000 - <100,000	319,780	1,110	0.3%	22,070	12.3%	20
\$100,000 - <200,000	331,860	1,390	0.4%	29,710	16.6%	21
\$200,000 - <500,000	74,570	260	0.3%	9,900	5.5%	38
\$500,000 - <1,000,000	12,220	20	0.2%	6,700	3.7%	335
\$1,000,000 and over	5,610	10	0.2%	2,250	1.3%	225
Total	3,057,180	8,740	0.3%	178,790	100.0%	20

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

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 6,520 filers who gave a total of \$105,000 for an average of \$16 per return. Donors with income above \$200,000 donated the most on average at about \$63 per return. Filers with income of less than \$200,000 had average donations of about \$14.

Table 11C
Veterans Trust Fund Donation for Tax Year 2017

WAGI Class	Tax filers	Veterans Trust Fund Donation				Average (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	49,570	40	0.1%	810	0.8%	20
\$0 - <5,000	408,650	250	0.1%	3,170	3.0%	13
\$5,000 - <10,000	231,350	320	0.1%	2,930	2.8%	9
\$10,000 - <15,000	193,310	340	0.2%	3,210	3.1%	9
\$15,000 - <20,000	180,310	320	0.2%	4,850	4.6%	15
\$20,000 - <25,000	177,290	400	0.2%	6,020	5.7%	15
\$25,000 - <30,000	173,580	400	0.2%	5,360	5.1%	13
\$30,000 - <40,000	311,990	760	0.2%	9,740	9.3%	13
\$40,000 - <50,000	246,410	630	0.3%	8,250	7.9%	13
\$50,000 - <70,000	340,680	880	0.3%	13,390	12.8%	15
\$70,000 - <100,000	319,780	850	0.3%	12,850	12.3%	15
\$100,000 - <200,000	331,860	1,070	0.3%	18,490	17.6%	17
\$200,000 - <500,000	74,570	220	0.3%	6,810	6.5%	31
\$500,000 - <1,000,000	12,220	20	0.2%	7,650	7.3%	383
\$1,000,000 and over	5,610	10	0.2%	1,300	1.2%	130
Total	3,057,180	6,520	0.2%	104,830	100.0%	16

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

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 11D reports, there were 4,710 filers who gave a total of \$71,000 for an average of \$15 per return. Donors with income above \$50,000 donated the most on average at about \$19 per return. Filers with income of less than \$50,000 had average donations of about \$12.

**Table 11D
Multiple Sclerosis Research Donation for Tax Year 2017**

WAGI Class	Tax filers	Multiple Sclerosis Research Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	49,570	20	0.0%	270	0.4%	14
\$0 - <5,000	408,650	140	0.00%	1,490	2.1%	11
\$5,000 - <10,000	231,350	220	0.10%	1,590	2.2%	7
\$10,000 - <15,000	193,310	260	0.10%	2,310	3.3%	9
\$15,000 - <20,000	180,310	240	0.10%	2,680	3.8%	11
\$20,000 - <25,000	177,290	280	0.20%	3,340	4.7%	12
\$25,000 - <30,000	173,580	280	0.20%	2,710	3.8%	10
\$30,000 - <40,000	311,990	580	0.20%	8,450	11.9%	15
\$40,000 - <50,000	246,410	450	0.20%	6,010	8.5%	13
\$50,000 - <70,000	340,680	630	0.20%	10,290	14.5%	16
\$70,000 - <100,000	319,780	640	0.20%	10,300	14.5%	16
\$100,000 - <200,000	331,860	790	0.20%	14,830	20.9%	19
\$200,000 - <500,000	74,570	160	0.20%	5,330	7.5%	33
\$500,000 - <1,000,000	12,220	20	0.20%	740	1.0%	37
\$1,000,000 and over	5,610	10	0.10%	580	0.8%	58
Total	3,057,180	4,710	0.20%	70,910	100.0%	15

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

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 6,560 filers who gave a total of \$115,000 for an average of \$18 per return (See Table 11E). Donors with income above \$200,000 donated the most on average at about \$68 per return. Filers with income of less than \$200,000 had average donations of about \$15.

**Table 11E
Military Family Relief Fund Donation for Tax Year 2017**

WAGI Class	Tax filers	Military Family Relief Fund Donation				Average (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	49,570	30	0.1%	610	0.5%	20
\$0 - <5,000	408,650	250	0.1%	2,980	2.6%	12
\$5,000 - <10,000	231,350	310	0.1%	2,960	2.6%	10
\$10,000 - <15,000	193,310	350	0.2%	4,310	3.8%	12
\$15,000 - <20,000	180,310	330	0.2%	4,560	4.0%	14
\$20,000 - <25,000	177,290	390	0.2%	5,660	4.9%	15
\$25,000 - <30,000	173,580	400	0.2%	5,320	4.6%	13
\$30,000 - <40,000	311,990	750	0.2%	11,960	10.4%	16
\$40,000 - <50,000	246,410	600	0.2%	8,190	7.1%	14
\$50,000 - <70,000	340,680	850	0.2%	13,020	11.3%	15
\$70,000 - <100,000	319,780	890	0.3%	13,080	11.4%	15
\$100,000 - <200,000	331,860	1,130	0.3%	22,590	19.7%	20
\$200,000 - <500,000	74,570	250	0.3%	7,790	6.8%	31
\$500,000 - <1,000,000	12,220	30	0.2%	10,120	8.8%	337
\$1,000,000 and over	5,610	10	0.2%	1,750	1.5%	175
Total	3,057,180	6,560	0.2%	114,900	100.0%	18

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

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 7,630 filers who gave a total of \$159,000 for an average of \$21 per return (See Table 11F). Donors with income above \$200,000 donated the most on average at about \$55 per return. Filers with income of less than \$200,000 had average donations of about \$19.

**Table 11F
Second Harvest Food Bank Donation for Tax Year 2017**

WAGI Class	Tax filers	Second Harvest Food Bank Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	49,570	40	0.1%	1,960	1.2%	49
\$0 - <5,000	408,650	270	0.1%	3,610	2.3%	13
\$5,000 - <10,000	231,350	380	0.2%	4,710	3.0%	12
\$10,000 - <15,000	193,310	410	0.2%	5,380	3.4%	13
\$15,000 - <20,000	180,310	400	0.2%	5,430	3.4%	14
\$20,000 - <25,000	177,290	440	0.2%	7,180	4.5%	16
\$25,000 - <30,000	173,580	450	0.3%	7,360	4.6%	16
\$30,000 - <40,000	311,990	870	0.3%	14,920	9.4%	17
\$40,000 - <50,000	246,410	720	0.3%	13,000	8.2%	18
\$50,000 - <70,000	340,680	1,030	0.3%	21,010	13.2%	20
\$70,000 - <100,000	319,780	1,060	0.3%	23,250	14.6%	22
\$100,000 - <200,000	331,860	1,260	0.4%	32,860	20.7%	26
\$200,000 - <500,000	74,570	290	0.4%	14,980	9.4%	52
\$500,000 - <1,000,000	12,220	30	0.2%	1,270	0.8%	42
\$1,000,000 and over	5,610	10	0.2%	1,930	1.2%	193
Total	3,057,180	7,630	0.2%	158,850	100.0%	21

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

Red Cross Disaster Relief

This donation was new for tax year 2011 and allows taxpayers to make donations towards the American Red Cross Wisconsin Disaster Relief Fund. A donation either reduces a taxpayer's refund, or adds to tax due. There were 6,590 filers who gave a total of \$127,000 for an average of \$19 per return (See Table 11G). Donors with income above \$200,000 donated the most on average at about \$54 per return. Filers with income of less than \$200,000 had average donations of about \$18.

**Table 11G
Red Cross Donation for Tax Year 2017**

WAGI Class	Tax filers	Red Cross Donation				
	Count	Count	As % of filers in income class	Amount (\$)	%	Average (\$)
Less than \$0	49,570	40	0.1%	1,200	0.9%	30
\$0 - <5,000	408,650	230	0.1%	3,010	2.4%	13
\$5,000 - <10,000	231,350	330	0.1%	3,960	3.1%	12
\$10,000 - <15,000	193,310	370	0.2%	4,480	3.5%	12
\$15,000 - <20,000	180,310	340	0.2%	4,670	3.7%	14
\$20,000 - <25,000	177,290	370	0.2%	5,990	4.7%	16
\$25,000 - <30,000	173,580	460	0.3%	7,530	5.9%	16
\$30,000 - <40,000	311,990	780	0.3%	12,080	9.5%	15
\$40,000 - <50,000	246,410	640	0.3%	10,990	8.7%	17
\$50,000 - <70,000	340,680	870	0.3%	15,200	12.0%	17
\$70,000 - <100,000	319,780	830	0.3%	20,110	15.8%	24
\$100,000 - <200,000	331,860	1,080	0.3%	23,330	18.4%	22
\$200,000 - <500,000	74,570	230	0.3%	10,600	8.3%	46
\$500,000 - <1,000,000	12,220	30	0.2%	2,240	1.8%	75
\$1,000,000 and over	5,610	10	0.2%	1,660	1.3%	166
Total	3,057,180	6,590	0.2%	127,030	100.0%	19

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

Special Olympics

This donation was new for tax year 2012 and allows taxpayers to make donations towards the Special Olympics Wisconsin, Inc. A donation either reduces a taxpayer's refund, or adds to tax due. There were 6,130 filers who gave a total of \$99,000 for an average of \$16 per return (See Table 11H). Donors with income above \$100,000 donated the most on average at about \$25 per return. Filers with income of less than \$100,000 had average donations of about \$14.

**Table 11H
Special Olympics Donation for Tax Year 2017**

WAGI Class	Tax filers	Special Olympics Donation				Average (\$)
	Count	Count	As % of filers in income class	Amount (\$)	%	
Less than \$0	49,570	30	0.1%	370	0.4%	12
\$0 - <5,000	408,650	210	0.1%	1,840	1.9%	9
\$5,000 - <10,000	231,350	320	0.1%	2,670	2.7%	8
\$10,000 - <15,000	193,310	320	0.2%	2,730	2.8%	9
\$15,000 - <20,000	180,310	330	0.2%	4,830	4.9%	15
\$20,000 - <25,000	177,290	350	0.2%	4,510	4.6%	13
\$25,000 - <30,000	173,580	390	0.2%	6,240	6.3%	16
\$30,000 - <40,000	311,990	720	0.2%	10,590	10.7%	15
\$40,000 - <50,000	246,410	550	0.2%	7,170	7.2%	13
\$50,000 - <70,000	340,680	770	0.2%	12,350	12.5%	16
\$70,000 - <100,000	319,780	810	0.3%	13,130	13.3%	16
\$100,000 - <200,000	331,860	1,050	0.3%	19,640	19.8%	19
\$200,000 - <500,000	74,570	250	0.3%	10,030	10.1%	40
\$500,000 - <1,000,000	12,220	20	0.2%	1,280	1.3%	64
\$1,000,000 and over	5,610	10	0.1%	1,650	1.7%	165
Total	3,057,180	6,130	0.2%	99,040	100.0%	16

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

Appendix

Major Provisions of 2017 Wisconsin Individual Income Tax Law

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 and 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).
- State business credits. Wisconsin treats the amount computed for several business credits as taxable income to the claimant.

Subtractions to FAGI are for income that is taxable for federal purposes but not for state purposes. Examples for tax year 2016 include:

- An exclusion for 30% of capital gains on assets held for more than one year which Wisconsin allows in tax year 2017, but are taxable 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 not already deducted or exempted from FAGI.
- Premiums paid for long-term care insurance.
- Tuition payments, up to \$6,958 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 \$3,140 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 2017 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 2017**

Filing Status	Wisconsin Adjusted Gross Income (WAGI) (\$)	Standard Deduction (\$)
Single	<14,960	10,380
	14,960 to 101,460	10,380 – 12% (WAGI – 14,960)
	>101,460	0
Head of Household	<14,960	13,400
	14,960 to 43,681	13,400 – 22.515% (WAGI – 14,960)
	>43,681 to 101,460	10,380 – 12% (WAGI – 14,960)
	>101,460	0
Married Filing Jointly	<21,590	19,210
	21,590 to 118,718	19,210 – 19.778% (WAGI – 21,590)
	>118,718	0
Married Filing Separately	<10,250	9,130
	10,250 to 56,412	9,130 – 19.778% (WAGI – 10,250)
	>56,412	0

Source: WI Department of Revenue.

Personal Exemptions

Personal exemptions are subtracted from WAGI to arrive at taxable income. For tax year 2017, 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 2017 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 2017

Marginal Tax Rates (%)	Taxable Income Brackets (\$)		
	Single	Married Filing Jointly	Married Filing Separately
4.00	>0 – 11,230	>0 - 14,980	>0 - 7,490
5.84	>11,230 – 22,470	>14,980 – 29,960	>7,490 - 14,980
6.27	>22,470 – 247,350	>29,960 – 329,800	>14,980 - 164,900
7.65	<247,350	<329,800	<164,900

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 \$84,500 for individuals that are married filing jointly (\$42,250 if married filing separately and \$54,300 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 10% (7.5% for elderly filers) 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, including residents filing jointly with a spouse from another state, 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 community rehabilitation program credit is available to persons who enter into a contract with a community rehabilitation program to have the program perform work for the claimant's business. The maximum tax credit that can be claimed is \$25,000 for each community rehabilitation program for which the claimant has a contract. Unused credit amounts can be carried forward up to 15 years to offset future tax liabilities.
- 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 20% 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 or sold/transferred to another taxpayer.
 - 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 manufacturing and agriculture credits are available to businesses engaged in manufacturing and agricultural production activities in Wisconsin. The credits are equal to 7.5% of income attributable to qualified production activities that occur within the state. The credit is nonrefundable, but credit amounts may be carried forward for up to 15 years.
- The research expense credits are available to individuals and pass through entities for increasing research activities in Wisconsin. Qualified research must be undertaken for discovering information that is technological in nature, and its application must be intended for use in developing a new or improved business component. Credits may be claimed for qualified research expenses as defined under federal law, for qualified

research expenses for activities related to internal combustion engines, and qualified research expenses for activities related to energy efficient products. The credits are nonrefundable, but credit amounts may be carried forward for up to 15 years.

- The development zones credit, the capital investment credit, the technology zone credit, and the economic development tax credit are certified by the Wisconsin Economic Development Corporation. Unused amounts of the credit can be carried forward for up to 15 years.
- The angel investment credit and early stage seed investment credit are available for investments in qualified new business ventures certified by the Wisconsin Economic Development Corporation. The credits are equal to 25% of the investment.
- Wisconsin residents may also 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 and may not be carried forward.

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, 11% for two children, and 34% of the federal credit for 3 or more children. For tax year 2017, the maximum federal credit is 34% of earnings not exceeding \$10,000 for persons with one child, 40% of earnings not exceeding \$14,090 for persons with two children, and 45% of earnings not exceeding \$14,090 for persons with three or more children. These credits are phased out as income rises. The phase-out ranges for FAGI are as follows:
 - One child, the phase-out range for joint filers is \$23,930 - \$45,207, for singles it is \$18,340 - \$39,617.
 - Two children the phase-out range for joint filers is \$23,930 - \$50,597, and for singles it is \$18,340 - \$45,007.
 - Three or more children the phase-out range for joint filers is \$23,930 - \$53,930, and for singles it is \$18,340 - \$48,340.

Thus, the maximum federal credit for tax year 2017 is \$3,400 for one child, \$5,616 for two children, and \$6,318 for three or more children. The maximum state credit is \$136 for one child, \$618 for two children, and \$2,148 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) who are at least 62 years of age, have earned income, or have a qualified disability. 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. Beginning in 2014, eligible surviving spouses also included individuals who receive dependency and indemnity compensation, as defined in 38 USC 101(14).
 - The enterprise zone jobs credit is available to persons doing business in an enterprise zone. The Wisconsin Economic Development Corporation must certify the business as eligible for the credit and determine the amount of credit based on activities in the designated zones, including creating or retaining jobs, making significant capital investments, conducting employee training, and maintaining a supply chain in Wisconsin.
 - The jobs tax credit must be certified by the Wisconsin Economic Development Corporation, which may award jobs tax credits to businesses that are operating or intending to operate in Wisconsin and pursuant to a contract with the corporation. The credit is based on the amount of wages paid to eligible employees in the taxable year, subject to a maximum amount of 10% of such wages, and the costs incurred by the claimant to undertake training activities in the current year.
 - The business development credit was created to replace the non-refundable economic development credit and the refundable jobs tax credit. It was first available in tax year 2016. Businesses are required to meet certain employment and investment criteria, as determined by WEDC in order to claim the credit.