

## WISCONSIN EARNED INCOME TAX CREDIT: SUMMARY FOR 2015

### A. INTRODUCTION

A total of 252,898 tax filers claimed the Wisconsin earned income tax credit (EITC) amounting to \$99.7 million in tax year 2015, according to Department of Revenue (DOR) statistics from individual income tax returns. The average credit was \$394.

The Wisconsin EITC equals a percentage of the federal earned income tax credit, depending on the number of children in the household of the credit claimant: 4% for persons with one child, 11% for persons with two children, and 34% for persons with three or more children.

The maximum federal credit in 2015 was 34% of earnings, not exceeding \$9,880 for persons with one child; 40% of earnings, not exceeding \$13,870 for persons with two children; and 45% of earnings, not exceeding \$13,870 for persons with three or more children. These credits were phased out for single and head of household filers as the greater of earnings or federal adjusted gross income rose from \$18,110 to \$39,131 for individuals with one child, from \$18,110 to \$44,454 for individuals with two children, and from \$18,110 to \$47,747 for individuals with three or more children. The floor and ceiling of the phase-out range for married couples filing jointly were \$5,520 higher than the floor and ceiling for single and head of household filers. The maximum eligible earnings and phase-out ranges are adjusted annually for inflation.

The federal government also provides the EITC to low-income persons without children; Wisconsin does not supplement the credit for those individuals.

### CREDIT HISTORY

Wisconsin's refundable earned income tax credit was enacted in 1989. Table 1 shows the number and amount of credits claimed in each of the years the credit has been in effect. Through 2004, data for each tax year are from returns filed through August 15 of the subsequent calendar year. For tax year 2005 and beyond, the deadline to file an extended income tax return was extended, so returns filed through October 15, 2006 are included.

Table 2 shows the annual percentage changes in the number and amount of credits claimed each year. Both the Wisconsin total credit and the average credit have generally followed the changes at the federal level—which is expected since the Wisconsin credit is linked to the federal credit. For example, the federal credit was substantially increased in 1991, with the amount of federal EITC paid to Wisconsin recipients rising 43.2%. Since the Wisconsin credit rates were not adjusted when this occurred, the amount of Wisconsin EITC recorded a similar increase, 46.6%.

Percentage changes in the federal credit in 1994 and 1995 are not available because Wisconsin decoupled its EITC from the federal credit in 1994. The Wisconsin credit was calculated separately and not as a percentage of the federal credit that year. As a result, the amount of the federal credit received was not reported on the Wisconsin tax return. One apparent effect of decoupling was a decrease in participation. The number of persons

claiming the Wisconsin EITC was lower in 1994, when the credit was decoupled, than in 1993. Participation rebounded sharply in 1995, surging 11.5%, when the credit was once again based on the federal credit.

The number of Wisconsin EITC recipients and the amount claimed declined in the late 1990s, but both have increased since then. In 2009, the number of recipients and the amount of credits surged again due to an increase in the credit rate for individuals with three or more children and an increase in the eligible income range for married filers. In 2011 Wisconsin reduced the state credit for filers with two children from 14% of the federal credit to 11% of the federal credit. Wisconsin similarly reduced the state credit for filers with three or more children from 43% of the federal credit to 34% of the federal credit.

TABLE 1  
FEDERAL AND STATE EARNED INCOME TAX CREDITS IN WISCONSIN  
TAX YEARS 1989 – 2015

Tax Year	Number Of Recipients	Federal Credit Amount* (\$ thou)	Average (\$)	Wisconsin Credit Amount (\$ thou)	Average (\$)
1989	126,511	\$68,409.8	\$541	\$16,464.1	\$130
1990	136,205	77,718.0	571	18,916.8	139
1991	153,194	111,255.2	726	27,725.0	181
1992	165,951	134,697.7	812	33,572.0	202
1993	172,425	153,726.5	892	38,652.1	224
1994	171,260	N/A	N/A	49,150.1	287
1995	191,019	287,033.7	1,503	54,750.6	287
1996	195,980	332,449.8	1,696	58,177.5	297
1997	194,023	344,338.8	1,775	60,760.8	313
1998	189,102	342,960.1	1,814	59,932.8	317
1999	185,442	339,062.5	1,828	59,057.7	318
2000	185,499	342,729.6	1,848	59,075.7	318
2001	189,586	355,624.2	1,876	60,346.8	318
2002	210,624	410,860.2	1,951	69,029.2	328
2003	214,164	423,617.1	1,978	69,765.9	326
2004	216,707	445,730.6	2,057	73,482.6	339
2005	223,518	478,468.8	2,141	78,831.0	353
2006	227,497	506,355.6	2,226	83,193.4	366
2007	236,691	550,017.1	2,324	89,549.0	378
2008	243,131	585,144.5	2,407	95,848.1	394
2009	273,939	708,646.4	2,587	127,868.2	466
2010	268,612	691,981.9	2,576	124,032.5	462
2011	268,171	711,117.2	2,652	100,854.0	376
2012	264,831	713,823.4	2,695	99,550.1	376
2013	264,815	735,419.1	2,777	102,233.2	386
2014	252,918	714,470.8	2,825	99,552.8	394
2015	252,898	\$723,799.2	\$2,862	\$99,718.7	\$394

\* For taxpayers with Wisconsin EITC only. Data on federal credits for other taxpayers, in particular, persons without children, are not reported on Wisconsin tax returns.

N/A: Not available because the Wisconsin credit was calculated separately from the federal credit in 1994. As a result, the amount of federal credit was not recorded on the Wisconsin tax return in 1994.

TABLE 2  
FEDERAL AND STATE EARNED INCOME TAX CREDITS IN WISCONSIN  
ANNUAL PERCENTAGE CHANGES, TAX YEARS 1989 – 2015

Tax Year	Number Of Recipients	Federal Credit Amount* (\$ thou)	Average (\$)	Wisconsin Credit Amount (\$ thou)	Average (\$)
1989-1990	7.7%	13.6%	5.5%	14.9%	6.7%
1990-1991	12.5	43.2	27.3	46.6	30.3
1991-1992	8.3	21.1	11.8	21.1	11.8
1992-1993	3.9	14.1	9.8	15.1	10.8
1993-1994	-0.7	NA	NA	27.2	28.0
1994-1995	11.5	NA	NA	11.4	-0.1
1995-1996	2.6	15.8	12.9	6.3	3.6
1996-1997	-1.0	3.6	4.6	4.4	5.4
1997-1998	-2.5	-0.4	2.2	-1.4	1.2
1998-1999	-1.9	-1.1	0.8	-1.5	0.3
1999-2000	0.0	1.1	1.1	0.0	0.0
2000-2001	2.2	3.8	1.5	2.2	-0.1
2001-2002	11.1	15.5	4.0	14.4	3.1
2002-2003	1.7	3.1	1.4	1.1	-0.6
2003-2004	1.2	5.2	4.0	5.3	4.0
2004-2005	3.1	7.3	4.1	7.3	4.0
2005-2006	1.8	5.8	4.0	5.5	3.7
2006-2007	4.0	8.6	4.4	7.6	3.3
2007-2008	2.7	6.4	3.6	7.0	4.2
2008-2009	12.7	21.1	7.5	33.4	18.3
2009-2010	-1.9	-2.4	-0.4	-3.0	-0.9
2010-2011	-0.2	2.8	3.0	-18.7	-18.6
2011-2012	-1.2	0.4	1.6	-1.3	0.0
2012-2013	-0.0	3.0	3.0	2.7	2.7
2013-2014	-4.5	-2.8	1.7	-2.6	2.0
2014-2015	-0.0%	1.3%	1.3%	0.2%	0.0%

\* For taxpayers with Wisconsin EITC only. Data on federal credits for other taxpayers, in particular, persons without children, are not reported on Wisconsin tax returns.

N/A: Not available because the Wisconsin credit was calculated separately from the federal credit in 1994. As a result, the amount of federal credit was not recorded on the Wisconsin tax return in 1994.

## CREDITS BY FILING STATUS

Table 3 reports the number of 2015 EITC recipients, the number of children they have, and the amount of credits they receive by filing status and number of children. As the table shows, most recipients are unmarried. About 62% of claimants are heads of household, that is, single persons with children who are considered dependents for tax purposes, and about 11% are single filers who do not claim their children as dependents on their tax returns, typically because the non-custodial parent is allowed the dependency claim.

While married couples only comprise about 27% of the recipients, married couples received 37% of the credit, and their average credit of \$539 was substantially higher than the averages for heads of household (\$355) and single filers (\$259). Married couples had higher average credits and received a larger share of the total credit amount because a

larger percentage of them had three or more children, which qualifies for the largest credit. Thirty-four percent of married claimants had three or more children compared to 7% for single claimants and 13% for head of household claimants.

TABLE 3  
WISCONSIN EARNED INCOME TAX CREDIT CLAIMANTS  
BY FILING STATUS AND NUMBER OF DEPENDENTS, 2015

Filing Status/ Number of Dependents	Number of Claimants	% of Total	Number of Dependents	Total Amount	% of Total	Average Amount
<b>Single</b>						
1 Dependent	18,970	7.5%	18,970	\$1,843,813	1.8%	\$97
2 Dependents	5,902	2.3%	11,804	2,391,155	2.4%	405
3 or More Dependents	1,927	0.8%	5,790	2,708,356	2.7%	1,405
Subtotal	26,799	10.6%	36,564	6,943,324	7.0%	259
<b>Head of Household</b>						
1 Dependent	89,315	35.3%	89,315	7,941,274	8.0%	89
2 Dependents	47,185	18.7%	94,370	18,321,244	18.4%	388
3 or More Dependents	21,230	8.4%	63,870	29,652,994	29.7%	1,397
Subtotal	157,730	62.4%	247,555	55,915,512	56.1%	355
<b>Married Joint</b>						
1 Dependent	20,292	8.0%	20,292	1,638,555	1.6%	81
2 Dependents	24,880	9.8%	49,760	8,266,526	8.3%	332
3 or More Dependents	23,197	9.2%	70,132	26,954,770	27.0%	1,162
Subtotal	68,369	27.0%	140,184	36,859,851	37.0%	539
<b>All Filers</b>						
1 Dependent	128,577	50.8%	128,577	11,423,642	11.5%	89
2 Dependents	77,967	30.8%	155,934	28,978,925	29.1%	372
3 or More Dependents	46,354	18.3%	139,792	59,316,120	59.5%	1,280
Total	252,898	100.0%	424,303	\$99,718,687	100.0%	\$394

Components may not sum to total due to rounding.

### CREDITS BY NUMBER OF DEPENDENTS

Table 3 also shows that half of the filers claiming an earned income tax credit had one dependent (50.8%), while 30.8% had two, and 18.3% had three or more. Because Wisconsin provides substantially larger credits to larger families, 59.5% of the credit went to recipients with three or more children, 29.1% to those with two children, and 11.5% to those with one child.

The effect of the Wisconsin adjustment for family size can also be seen by comparing the average credit, which was \$1,280 for those with three or more dependents, \$372 for those with two dependents, and \$89 for those with one dependent.

### CREDITS BY COUNTY

Table 4 shows the number and amount of credits and the average credit for Wisconsin's 72 counties in 2015. Milwaukee County, the state's most populous county, had 61,274 credits totaling \$27.2 million and an average credit of \$444. That county accounted for 24% of all state EITC recipients and 27% of all credits paid. The second largest county, Dane, had 14,817 recipients claiming approximately \$5.4 million, for an average credit of \$366.

The county with the highest average credit was Menominee; its \$503 average was 28% higher than the state average of \$394 and \$28 higher than the \$475 average credit in Vernon County, which had the second highest average.

TABLE 4  
EARNED INCOME TAX CREDIT CLAIMANTS BY COUNTY, 2015

County	Number of Claimants	Amount of Credit (\$)	Average Credit (\$)	County	Number of Claimants	Amount of Credit (\$)	Average Credit (\$)
Adams	941	\$381,215	\$405	Marinette	1,985	\$711,099	\$358
Ashland	953	392,404	412	Marquette	683	272,153	398
Barron	2,497	969,174	388	Menominee	570	286,782	503
Bayfield	701	283,291	404	Milwaukee	61,274	27,197,913	444
Brown	11,951	4,556,736	381	Monroe	2,241	886,370	396
Buffalo	587	239,546	408	Oconto	1,558	564,705	362
Burnett	794	330,040	416	Oneida	1,624	550,010	339
Calumet	1,312	481,001	367	Outagamie	7,245	2,649,513	366
Chippewa	2,898	1,154,017	398	Ozaukee	1,673	550,876	329
Clark	1,430	626,796	438	Pepin	292	110,235	378
Columbia	2,344	815,793	348	Pierce	1,204	397,441	330
Crawford	808	351,877	435	Polk	2,027	748,577	369
Dane	14,817	5,417,501	366	Portage	2,546	965,850	379
Dodge	3,435	1,206,187	351	Price	613	244,393	399
Door	1,032	369,553	358	Racine	10,312	4,222,746	410
Douglas	1,978	735,702	372	Richland	837	378,408	452
Dunn	1,799	711,445	395	Rock	9,039	3,440,005	381
Eau Claire	4,265	1,601,637	376	Rusk	788	341,399	433
Florence	188	68,379	364	Sauk	2,935	1,108,660	378
Fond du Lac	4,116	1,511,162	367	Sawyer	1,007	440,459	437
Forest	514	207,641	404	Shawano	2,034	840,820	413
Grant	2,150	852,287	396	Sheboygan	4,772	1,849,214	388
Green	1,556	607,231	390	St. Croix	2,501	853,755	341
Green Lake	852	315,892	371	Taylor	880	368,048	418
Iowa	1,008	392,345	389	Trempealeau	1,336	504,636	378
Iron	283	93,648	331	Vernon	1,312	623,586	475
Jackson	1,047	396,726	379	Vilas	975	384,589	394
Jefferson	3,328	1,171,252	352	Walworth	4,196	1,611,177	384
Juneau	1,452	583,565	402	Washburn	881	376,660	428
Kenosha	8,048	3,179,921	395	Washington	3,486	1,138,726	327
Kewaunee	740	283,395	383	Waukesha	8,180	2,614,262	320
La Crosse	4,358	1,644,725	377	Waupaca	2,406	898,894	374
Lafayette	713	297,003	417	Waushara	1,073	444,696	414
Langlade	1,034	403,940	391	Winnebago	6,942	2,529,647	364
Lincoln	1,302	466,231	358	Wood	3,584	1,385,408	387
Manitowoc	3,357	1,236,309	368	Other*	1,369	482,871	353
Marathon	5,930	\$2,408,537	\$406	<b>Total</b>	<b>252,898</b>	<b>\$99,718,687</b>	<b>\$394</b>

\* Includes returns for which no county was listed.  
Components may not sum to total due to rounding.

## F. PARTICIPATION BY COUNTY

Two measures of the extent of participation in the EITC are the percentage of tax returns from the county that claim the credit and the percentage of the county's population in tax filing units receiving the EITC. For the latter measure, the number of people in a tax filing unit was based on the filing status (married couples filing jointly counted as two persons; heads of household and single filers as one) and on the number of dependents claimed for purposes of the EITC.

Table 5 shows both of these measures; again Menominee County stands out with far higher participation than any other county. While the EITC was claimed on 8.6% of all tax returns statewide, 36.0% of Menominee County returns included a claim for the credit. Similarly, 40.0% of Menominee County's population was in tax filing units receiving the EITC. For all other counties, the percent of returns with the EITC ranged from 3.8% (Ozaukee County) to 13.8% (Milwaukee County) and the share of population in tax filing units receiving the EITC ranged from 5.7% (Ozaukee County) to 18.5% (Milwaukee County). Map 1 shows the percentage of tax returns from each county that claim the credit and Map 2 shows the percentage of each county's population in tax filing units receiving the credit.

TABLE 5  
EARNED INCOME TAX CREDIT PARTICIPATION BY COUNTY, 2015

County	Tax Returns	EITC Returns	Percent of Returns with EITC	2015 Population	EITC Population*	Percent of Population with EITC
Adams	9,712	941	9.7%	20,844	2,875	13.8%
Ashland	7,394	953	12.9%	16,071	2,913	18.1%
Barron	23,030	2,497	10.8%	46,020	7,559	16.4%
Bayfield	7,484	701	9.4%	15,059	2,193	14.6%
Brown	127,367	11,951	9.4%	253,156	34,845	13.8%
Buffalo	6,671	587	8.8%	13,594	1,860	13.7%
Burnett	7,156	794	11.1%	15,462	2,434	15.7%
Calumet	22,280	1,312	5.9%	49,715	4,031	8.1%
Chippewa	29,126	2,898	9.9%	63,038	8,912	14.1%
Clark	14,496	1,430	9.9%	34,697	4,606	13.3%
Columbia	29,345	2,344	8.0%	56,795	6,850	12.1%
Crawford	7,588	808	10.6%	16,628	2,540	15.3%
Dane	268,669	14,817	5.5%	502,251	42,542	8.5%
Dodge	41,698	3,435	8.2%	89,203	10,156	11.4%
Door	15,146	1,032	6.8%	27,976	3,076	11.0%
Douglas	20,236	1,978	9.8%	44,196	5,796	13.1%
Dunn	19,095	1,799	9.4%	43,917	5,524	12.6%
Eau Claire	49,285	4,265	8.7%	100,477	12,650	12.6%
Florence	2,088	188	9.0%	4,450	578	13.0%
Fond du Lac	49,679	4,116	8.3%	102,424	12,252	12.0%
Forest	4,123	514	12.5%	9,253	1,567	16.9%
Grant	22,833	2,150	9.4%	52,603	6,614	12.6%
Green	18,255	1,556	8.5%	36,822	4,674	12.7%
Green Lake	9,265	852	9.2%	19,114	2,590	13.6%
Iowa	11,576	1,008	8.7%	23,809	3,075	12.9%
Iron	2,932	283	9.7%	5,915	829	14.0%
Jackson	9,162	1,047	11.4%	20,630	3,203	15.5%
Jefferson	40,304	3,328	8.3%	83,974	9,845	11.7%
Juneau	12,129	1,452	12.0%	26,934	4,399	16.3%
Kenosha	79,007	8,048	10.2%	167,258	23,419	14.0%
Kewaunee	10,020	740	7.4%	20,652	2,268	11.0%
La Crosse	56,601	4,358	7.7%	116,740	12,932	11.1%
Lafayette	7,808	713	9.1%	16,914	2,224	13.1%
Langlade	9,462	1,034	10.9%	19,847	3,181	16.0%
Lincoln	13,893	1,302	9.4%	28,816	3,835	13.3%
Manitowoc	39,778	3,357	8.4%	81,320	10,041	12.3%
Marathon	67,221	5,930	8.8%	134,803	18,054	13.4%

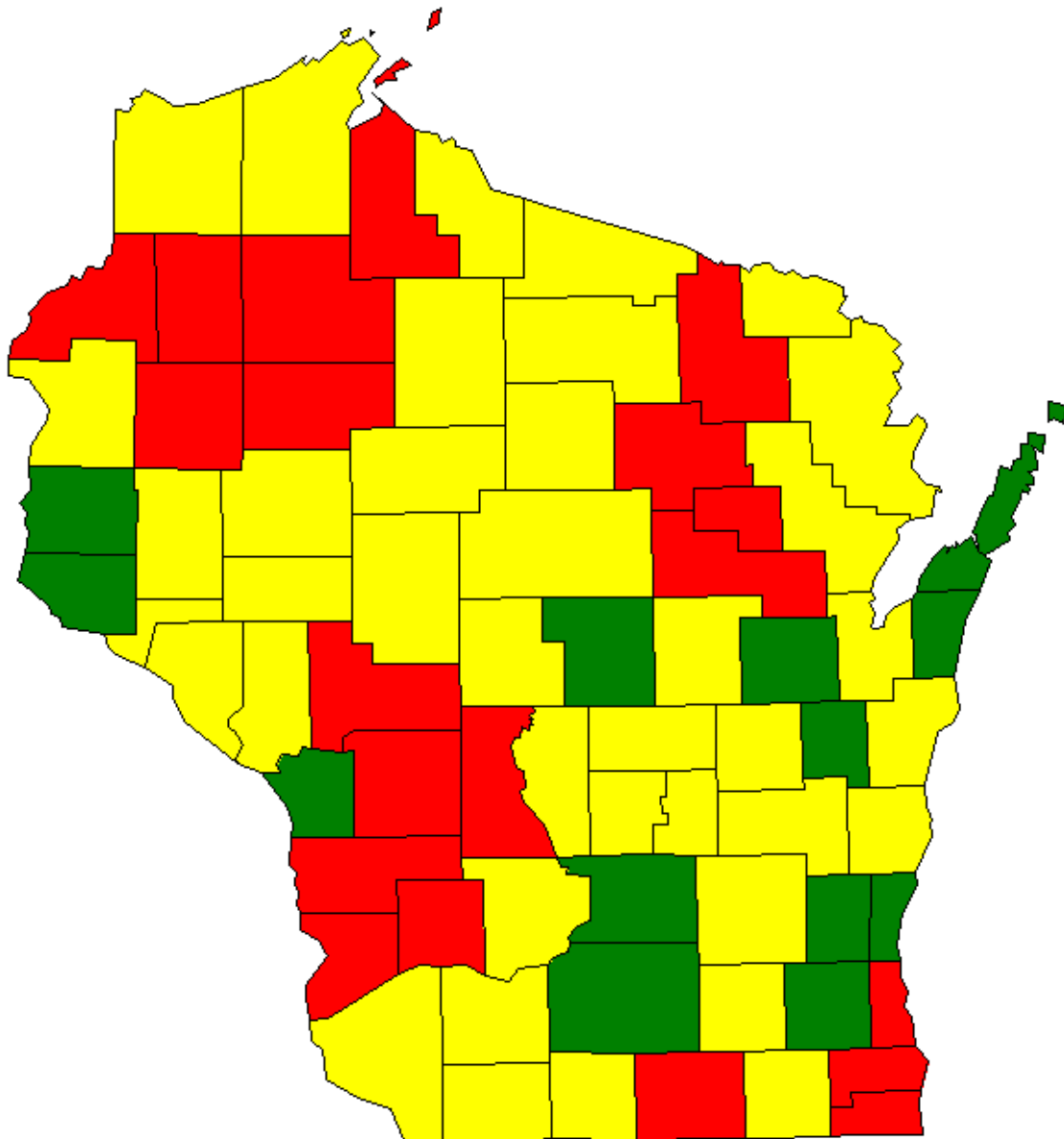
\*The EITC population was based on the filing status (married couples filing jointly counted as two persons; heads of household and single filers as one) and on the number of dependents claimed for purposes of the EITC.

TABLE 5 (continued)  
EARNED INCOME TAX CREDIT PARTICIPATION BY COUNTY, 2015




County	Tax Returns	EITC Returns	Percent of Returns With EITC	2015 Population	EITC Population	Percent of Population with EITC
Marinette	20,131	1,985	9.9%	41,605	5,882	14.1%
Marquette	7,256	683	9.4%	15,399	2,081	13.5%
Menominee	1,585	570	36.0%	4,236	1,695	40.0%
Milwaukee	443,548	61,274	13.8%	949,741	175,682	18.5%
Monroe	20,786	2,241	10.8%	45,339	6,823	15.0%
Oconto	18,013	1,558	8.6%	38,014	4,697	12.4%
Oneida	18,659	1,624	8.7%	36,082	4,746	13.2%
Outagamie	92,944	7,245	7.8%	180,022	21,654	12.0%
Ozaukee	44,065	1,673	3.8%	87,116	4,952	5.7%
Pepin	3,463	292	8.4%	7,445	894	12.0%
Pierce	18,654	1,204	6.5%	41,107	3,519	8.6%
Polk	20,789	2,027	9.8%	44,237	6,097	13.8%
Portage	33,367	2,546	7.6%	70,882	7,746	10.9%
Price	6,885	613	8.9%	14,155	1,915	13.5%
Racine	94,324	10,312	10.9%	195,461	29,877	15.3%
Richland	7,816	837	10.7%	17,995	2,662	14.8%
Rock	77,385	9,039	11.7%	160,104	26,315	16.4%
Rusk	6,398	788	12.3%	14,790	2,508	17.0%
Sauk	32,825	2,935	8.9%	62,092	8,767	14.1%
Sawyer	7,861	1,007	12.8%	16,676	3,008	18.0%
Shawano	19,166	2,034	10.6%	41,859	6,248	14.9%
Sheboygan	58,202	4,772	8.2%	115,362	14,389	12.5%
St. Croix	41,396	2,501	6.0%	85,735	7,384	8.6%
Taylor	9,013	880	9.8%	20,733	2,802	13.5%
Trempealeau	14,960	1,336	8.9%	29,184	4,000	13.7%
Vernon	13,004	1,312	10.1%	29,977	4,278	14.3%
Vilas	10,778	975	9.0%	21,523	2,944	13.7%
Walworth	48,582	4,196	8.6%	102,837	12,685	12.3%
Washburn	8,057	881	10.9%	15,948	2,765	17.3%
Washington	66,971	3,486	5.2%	133,071	10,247	7.7%
Waukesha	202,094	8,180	4.0%	392,761	23,735	6.0%
Waupaca	25,573	2,406	9.4%	52,435	7,281	13.9%
Waushara	11,124	1,073	9.6%	24,511	3,359	13.7%
Winnebago	81,712	6,942	8.5%	168,216	20,342	12.1%
Wood	37,634	3,584	9.5%	74,954	10,786	14.4%
<b>Total**</b>	<b>2,942,259</b>	<b>252,898</b>	<b>8.6%</b>	<b>5,753,324</b>	<b>745,570</b>	<b>13.0%</b>

\*\* Includes returns for which no county was listed.

MAP 1  
PERCENT OF RETURNS WITH EARNED INCOME TAX CREDIT BY COUNTY, 2015

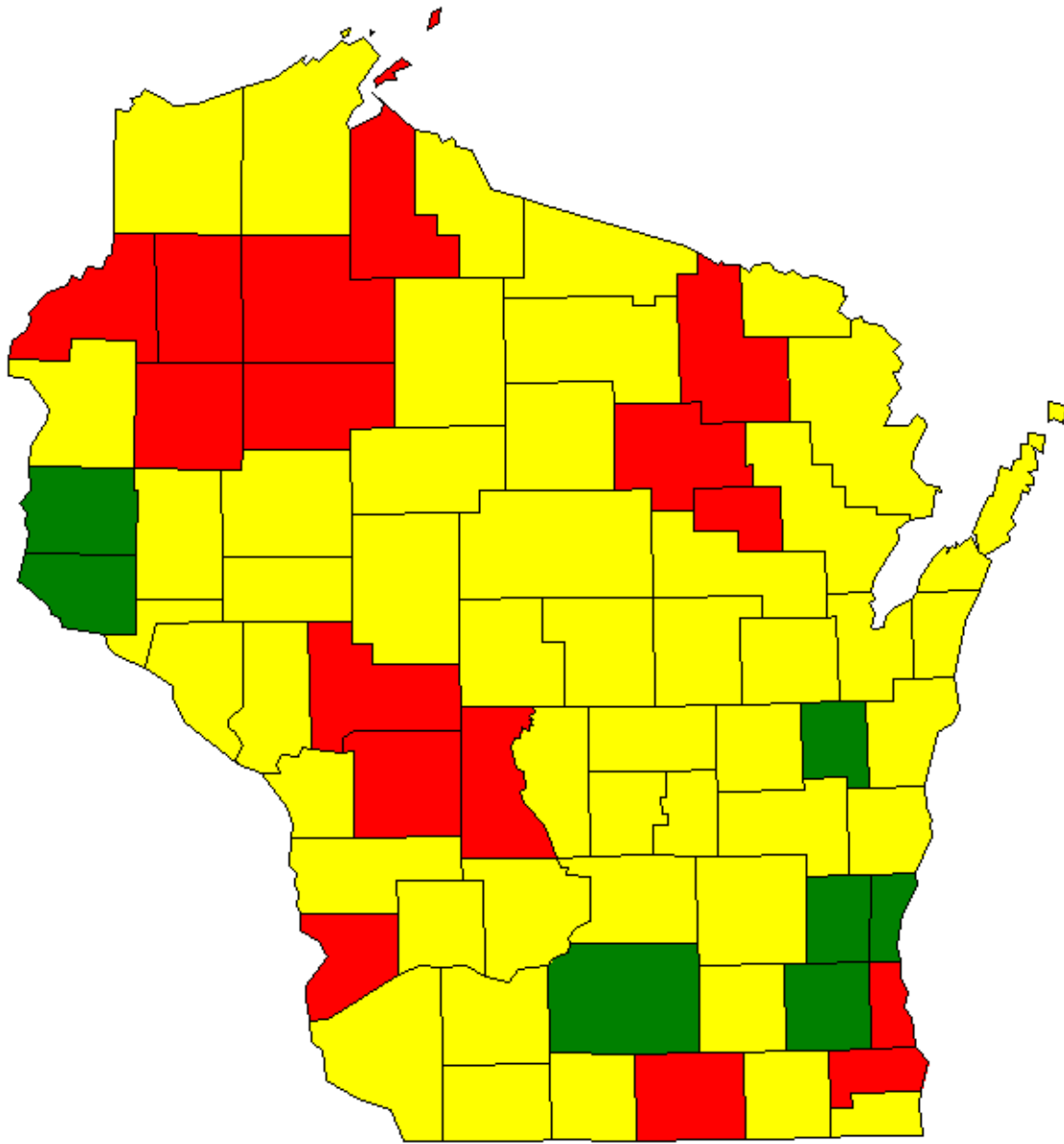


**Percent of Returns with EITC**




 Less than 8%     8% to 10%     More than 10%



MAP 2  
PERCENT OF POPULATION WITH EARNED INCOME TAX CREDIT BY COUNTY, 2015



**Percent of Population in EITC Households**

 Less than 10%     10% to 15%     More than 15%