



Wisconsin Earned Income Tax Credit: Summary for 2017

Introduction

A total of 237,232 tax filers claimed the Wisconsin earned income tax credit (EITC) amounting to \$95.6 million in tax year 2017, according to Department of Revenue (DOR) statistics from individual income tax returns. The average credit was \$403.

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 2017 was 34% of earnings, not exceeding \$10,000 for persons with one child; 40% of earnings, not exceeding \$14,040 for persons with two children; and 45% of earnings, not exceeding \$14,040 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 \$18,340 to \$39,617 for individuals with one child, from \$18,340 to \$45,007 for individuals with two children, and from \$18,340 to \$48,340 for individuals with three or more children. The floor and ceiling of the phase-out range for married couples filing jointly were \$5,590 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 – 2017

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
2016	245,880	701,901.5	2,855	97,821.8	398
2017	237,232	\$679,538.6	\$2,864	\$95,641.5	\$403

* 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: 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 – 2017

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
2015-2016	-2.8	3.0	-0.2	-1.9	1.0
2016-2017	-3.5%	-3.2%	0.3%	-2.2%	1.3%

* 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 2017 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 64% 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 25% of the recipients, married couples received 35% of the credit, and their average credit of \$553 was substantially higher than the averages

for heads of household (\$364) and single filers (\$284). 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-six percent of married claimants had three or more children compared to 8% for single claimants and 14% for head of household claimants.

Table 3
Wisconsin Earned Income Tax Credit Claimants by Filing Status and Number of Dependents, 2017

Filing Status/ Number of Dependents	Number of Claimants	% of Total	Number of Dependents	Total Amount	% of Total	Average Amount
Single						
1 Dependent	17,617	7.4%	17,617	\$1,721,390	1.8%	\$98
2 Dependents	5,901	2.5%	11,802	2,408,781	2.5%	408
3 or More Dependents	2,159	0.9%	6,481	3,168,212	3.3%	1467
Subtotal	25,677	10.8%	35,900	7,298,383	7.6%	284
Head of Household						
1 Dependent	83,741	35.3%	83,741	7,322,456	7.7%	87
2 Dependents	45,743	19.3%	91,486	17,681,596	18.5%	387
3 or More Dependents	21,732	9.2%	65,314	29,974,052	31.3%	1379
Subtotal	151,216	63.7%	240,541	54,978,104	57.5%	364
Married Joint						
1 Dependent	17,532	7.4%	17,532	1,430,856	1.5%	82
2 Dependents	21,375	9.0%	42,750	7,101,562	7.4%	332
3 or More Dependents	21,432	9.0%	64,732	24,832,620	26.0%	1159
Subtotal	60,339	25.4%	125,014	33,365,038	34.9%	553
All Filers						
1 Dependent	118,890	50.1%	118,890	10,474,702	11.0%	88
2 Dependents	73,019	30.8%	146,038	27,191,939	28.4%	372
3 or More Dependents	45,323	19.1%	136,527	57,974,884	60.6%	1279
Total	237,232	100.0%	401,455	\$95,641,525	100.0%	\$403

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 (50.1%), while 30.8% had two, and 19.1% had three or more. Because Wisconsin provides substantially larger credits to larger families, 60.6% of the credit went to recipients with three or more children, 28.4% to those with two children, and 11.0% 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 \$1,279 for those with three or more dependents, \$372 for those with two dependents, and \$88 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 2017. Milwaukee County, the state's most populous county, had 58,520 credits totaling \$26.9 million and an average credit of \$460. That county accounted for 25% of all state EITC recipients and 28% of all credits paid. The second largest county, Dane, had 13,545 recipients claiming approximately \$4.9 million, for an average credit of \$364. The county with the highest average credit was Menominee; its \$524 average was 30% higher than the state average of \$403.

Table 4
Earned Income Tax Credit Claimants by County, 2017

County	Number of Claimants	Amount of Credit (\$)	Average Credit (\$)	County	Number of Claimants	Amount of Credit (\$)	Average Credit (\$)
Adams	812	\$343,812	\$423	Marinette	1,931	710,355	368
Ashland	873	383,578	439	Marquette	617	255,655	414
Barron	2,310	896,925	388	Menominee	575	301,246	524
Bayfield	685	276,942	404	Milwaukee	58,520	26,937,107	460
Brown	11,335	4,461,064	394	Monroe	2,068	869,355	420
Buffalo	575	239,196	416	Oconto	1,447	566,553	392
Burnett	721	311,459	432	Oneida	1,491	545,257	366
Calumet	1,229	456,102	371	Outagamie	6,836	2,506,255	367
Chippewa	2,669	1,091,022	409	Ozaukee	1,604	543,196	339
Clark	1,352	611,775	453	Pepin	298	100,156	336
Columbia	2,115	731,481	346	Pierce	1,104	383,779	348
Crawford	756	329,558	436	Polk	1,892	711,317	376
Dane	13,545	4,930,709	364	Portage	2,421	877,831	363
Dodge	3,146	1,094,681	348	Price	636	252,376	397
Door	928	345,453	372	Racine	9,849	4,138,440	420
Douglas	1,886	677,129	359	Richland	760	328,772	433
Dunn	1,691	662,566	392	Rock	8,355	3,238,799	388
Eau Claire	3,995	1,501,710	376	Rusk	737	323,731	439
Florence	168	57,264	341	Sauk	2,749	1,040,890	379
Fond du Lac	3,888	1,452,330	374	Sawyer	929	415,336	447
Forest	489	218,543	447	Shawano	1,924	813,067	423
Grant	1,975	820,419	415	Sheboygan	4,496	1,736,831	386
Green	1,461	550,048	376	St. Croix	2,295	808,862	352
Green Lake	800	300,337	375	Taylor	840	367,615	438
Iowa	951	376,047	395	Trempealeau	1,237	492,551	398
Iron	253	82,055	324	Vernon	1,232	593,164	481
Jackson	920	365,573	397	Vilas	910	367,575	404
Jefferson	3,036	1,105,644	364	Walworth	3,828	1,426,093	373
Juneau	1,399	571,247	408	Washburn	844	362,379	429
Kenosha	7,606	2,992,815	393	Washington	3,256	1,068,392	328
Kewaunee	696	272,683	392	Waukesha	7,449	2,518,018	338
La Crosse	3,985	1,543,678	387	Waupaca	2,139	814,867	381
Lafayette	694	303,091	437	Waushara	973	411,923	423
Langlade	963	403,502	419	Winnebago	6,535	2,406,435	368
Lincoln	1,193	415,385	348	Wood	3,355	1,346,856	401
Manitowoc	3,180	1,196,924	376	Other*	1,319	437,469	332
Marathon	5,501	2,250,275	409	Total	237,232	\$95,641,525	\$403

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

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 8.0% of all tax returns

statewide, 30.5% of Menominee County returns included a claim for the credit. Similarly, 40.7% 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 3.6% (Ozaukee County) to 13.4% (Milwaukee County) and the share of population in tax filing units receiving the EITC ranged from 5.3% (Ozaukee County) to 17.9% (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, 2017

County	Tax Returns	EITC Returns	Percent of Returns with EITC	2017 Population	EITC Population*	Percent of Population with EITC
Adams	9,325	812	8.7%	20,644	2,479	12.0%
Ashland	7,364	873	11.9%	16,006	2,646	16.5%
Barron	23,017	2,310	10.0%	46,274	6,936	15.0%
Bayfield	7,544	685	9.1%	15,301	2,131	13.9%
Brown	129,297	11,335	8.8%	259,460	33,120	12.8%
Buffalo	6,657	575	8.6%	13,703	1,798	13.1%
Burnett	7,293	721	9.9%	15,486	2,188	14.1%
Calumet	22,838	1,229	5.4%	52,320	3,710	7.1%
Chippewa	29,763	2,669	9.0%	64,364	8,170	12.7%
Clark	14,632	1,352	9.2%	34,748	4,341	12.5%
Columbia	29,696	2,115	7.1%	57,053	6,136	10.8%
Crawford	7,666	756	9.9%	16,707	2,352	14.1%
Dane	275,260	13,545	4.9%	524,787	38,776	7.4%
Dodge	42,261	3,146	7.4%	89,908	9,306	10.4%
Door	15,467	928	6.0%	28,340	2,792	9.9%
Douglas	20,000	1,886	9.4%	44,294	5,457	12.3%
Dunn	19,501	1,691	8.7%	44,603	5,217	11.7%
Eau Claire	49,494	3,995	8.1%	102,340	11,743	11.5%
Florence	2,055	168	8.2%	4,468	501	11.2%
Fond du Lac	49,975	3,888	7.8%	103,704	11,507	11.1%
Forest	4,181	489	11.7%	9,256	1,488	16.1%
Grant	22,680	1,975	8.7%	52,725	6,123	11.6%
Green	18,397	1,461	7.9%	36,879	4,408	12.0%
Green Lake	9,316	800	8.6%	19,175	2,400	12.5%
Iowa	11,753	951	8.1%	23,831	2,900	12.2%
Iron	3,004	253	8.4%	5,927	729	12.3%
Jackson	9,232	920	10.0%	20,773	2,785	13.4%
Jefferson	40,758	3,036	7.4%	84,412	8,956	10.6%
Juneau	12,221	1,399	11.4%	27,079	4,220	15.6%
Kenosha	80,120	7,606	9.5%	168,065	21,911	13.0%
Kewaunee	10,070	696	6.9%	20,783	2,207	10.6%
La Crosse	57,096	3,985	7.0%	118,675	11,716	9.9%
Lafayette	7,713	694	9.0%	17,003	2,186	12.9%
Langlade	9,460	963	10.2%	20,072	2,959	14.7%
Lincoln	14,130	1,193	8.4%	28,830	3,496	12.1%
Manitowoc	39,463	3,180	8.1%	81,076	9,452	11.7%
Marathon	67,618	5,501	8.1%	134,943	16,691	12.4%

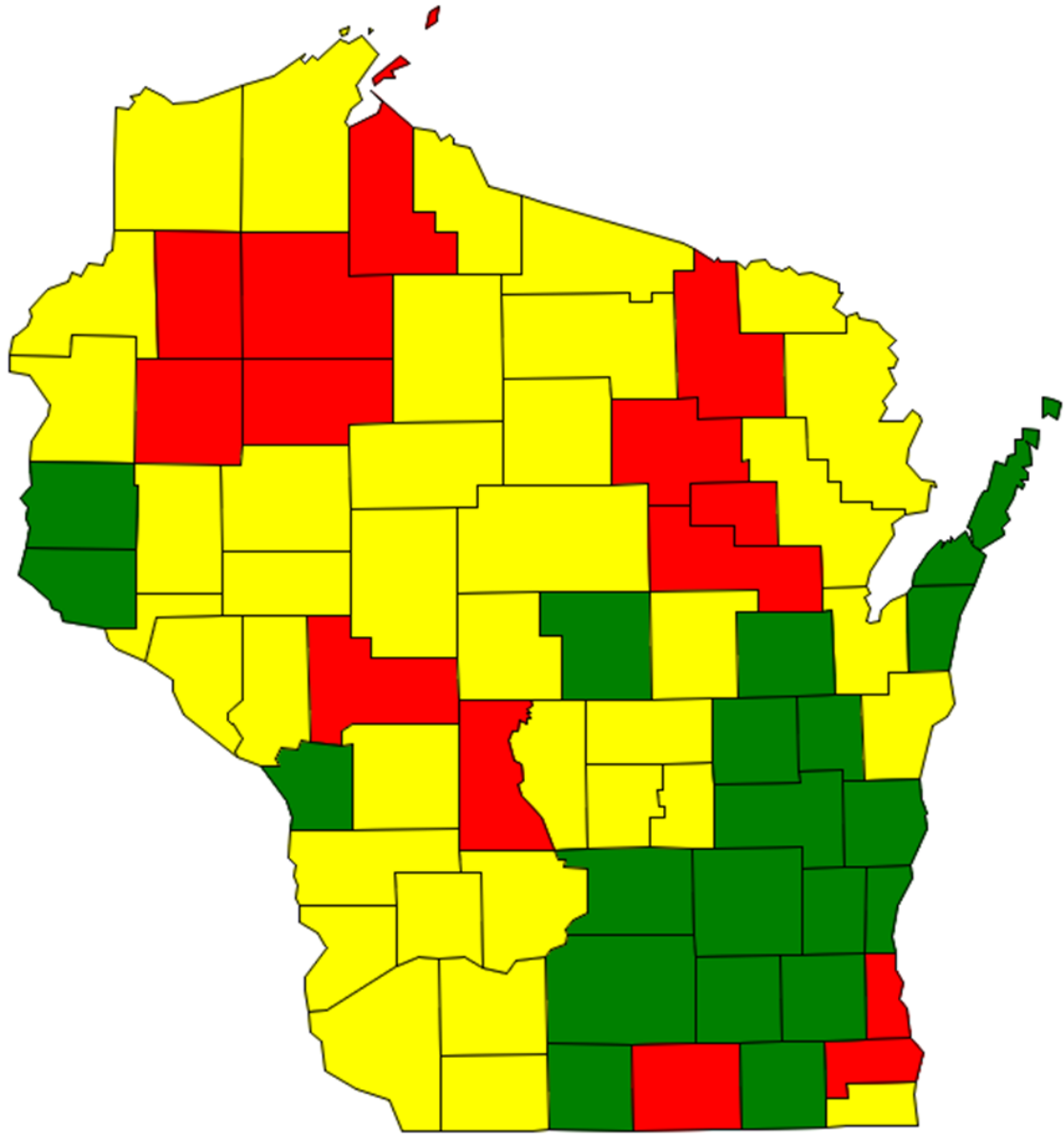
*The EITC population was based on the filing status (married couples filing jointly counted as two persons; heads of household and single filers as one) and on the number of dependents claimed for purposes of the EITC.

Table 5 (continued)
 Earned Income Tax Credit Participation by County, 2017

County	Tax Returns	EITC Returns	Percent of Returns With EITC	2017 Population	EITC Population	Percent of Population with EITC
Marinette	20,090	1,931	9.6%	41,259	5,745	13.9%
Marquette	7,515	617	8.2%	15,370	1,868	12.2%
Menominee	1,887	575	30.5%	4,248	1,730	40.7%
Milwaukee	437,247	58,520	13.4%	945,416	169,196	17.9%
Monroe	21,145	2,068	9.8%	46,109	6,322	13.7%
Oconto	18,096	1,447	8.0%	38,190	4,391	11.5%
Oneida	18,667	1,491	8.0%	36,225	4,383	12.1%
Outagamie	94,827	6,836	7.2%	182,921	20,325	11.1%
Ozaukee	44,781	1,604	3.6%	88,217	4,713	5.3%
Pepin	3,490	298	8.5%	7,383	895	12.1%
Pierce	19,171	1,104	5.8%	41,480	3,228	7.8%
Polk	21,042	1,892	9.0%	44,168	5,651	12.8%
Portage	33,930	2,421	7.1%	70,761	7,277	10.3%
Price	6,822	636	9.3%	14,028	1,977	14.1%
Racine	95,182	9,849	10.3%	195,146	28,567	14.6%
Richland	7,812	760	9.7%	17,896	2,394	13.4%
Rock	78,488	8,355	10.6%	159,372	24,207	15.2%
Rusk	6,328	737	11.6%	14,735	2,318	15.7%
Sauk	33,553	2,749	8.2%	62,240	8,224	13.2%
Sawyer	7,784	929	11.9%	16,689	2,806	16.8%
Shawano	19,185	1,924	10.0%	41,549	5,883	14.2%
Sheboygan	58,569	4,496	7.7%	114,714	13,471	11.7%
St. Croix	42,954	2,295	5.3%	87,828	6,750	7.7%
Taylor	9,036	840	9.3%	20,692	2,678	12.9%
Trempealeau	14,804	1,237	8.4%	29,452	3,701	12.6%
Vernon	13,119	1,232	9.4%	30,112	4,064	13.5%
Vilas	11,046	910	8.2%	21,607	2,736	12.7%
Walworth	49,105	3,828	7.8%	102,591	11,436	11.1%
Washburn	8,245	844	10.2%	15,869	2,632	16.6%
Washington	68,140	3,256	4.8%	134,630	9,384	7.0%
Waukesha	204,043	7,449	3.7%	398,236	21,685	5.4%
Waupaca	25,587	2,139	8.4%	52,100	6,434	12.3%
Waushara	11,061	973	8.8%	24,358	3,075	12.6%
Winnebago	82,307	6,535	7.9%	169,053	19,065	11.3%
Wood	37,856	3,355	8.9%	74,620	10,115	13.6%
Total**	2,972,592	237,232	8.0%	5,783,278	699,026	12.1%

** Includes returns for which no county was listed.

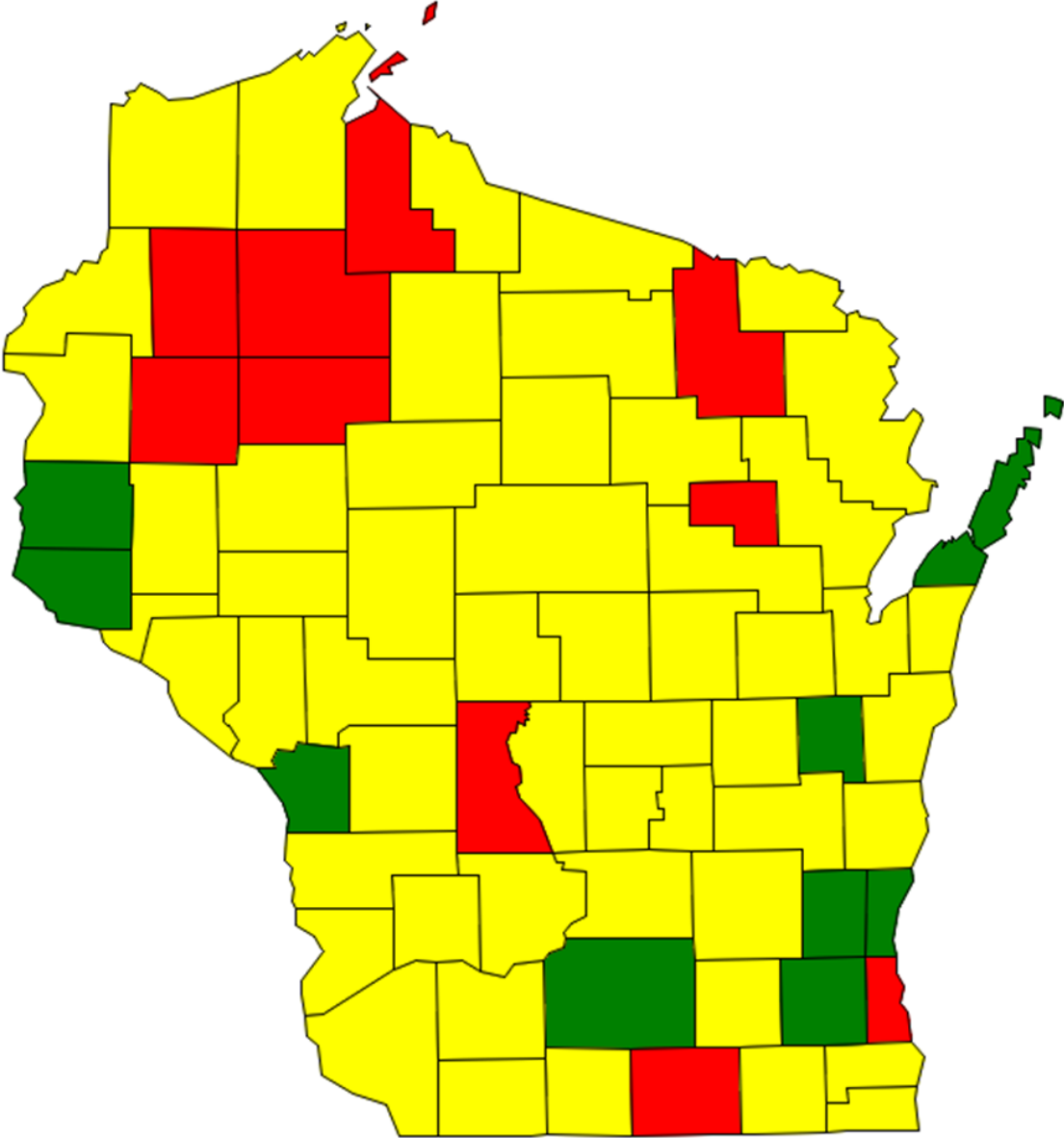
Map 1
Percent of Returns with Earned Income Tax Credit by County, 2017



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, 2017



Percent of Population in EITC Households

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