



## Wisconsin Taxpayers Alliance

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# NEWS

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### **With Bills Arriving Some Wonder, “Why Are My Property Taxes So High?”** WISTAX Explains Property Tax Levels in Wisconsin

MADISON—As property tax bills arrive this month, Wisconsinites are often left wondering, “Why is my bill so high?” A new report from the Wisconsin Taxpayers Alliance (WISTAX), “Investigating Residential Property Taxes” answers this and other property tax-related questions. Now in its 85th year, WISTAX is a nonpartisan organization dedicated to public policy research and citizen education.

Several factors are responsible for Wisconsin’s relatively high residential property taxes: greater reliance on local service delivery here than in other states; more units of government using the property tax; few local alternatives to the property tax; and the state’s constitutional “uniformity clause” that requires most property to be taxed the same.

Historically, Wisconsin local governments, rather than the state, provided most public services. In 1960, 74% of state-local spending here was done at the local level; as recently as two years ago, local spending still accounted for more than half of the total.

To fund those services, local governments in Wisconsin depend almost entirely on the property tax. Only counties have another significant revenue option in the 0.5% sales tax. Other states with local spending like Wisconsin use other taxes, particularly the sales tax, to help pay for services.

Wisconsin also has more units of government using the property tax than many other states. Until this year, property tax bills included levies from at least five: K-12 schools, municipalities, counties, technical colleges, and the state. The state is eliminating its portion of the property tax bill beginning this year. In 2015, Wisconsin was one of 32 states with all five units on the tax bill; 18 had fewer “fingers in the pie.”

Finally, the Wisconsin constitution, which requires all property to be taxed uniformly, effectively prohibits the state from targeting tax relief to certain property types, such as residences. Many states give homeowners breaks by shifting the burden onto other types of property owners.

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The Wisconsin Taxpayers Alliance, founded in 1932, is the state’s oldest and most respected private government-research organization. Through its research, publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.

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Taxpayers are also often puzzled why their property taxes have increased more than the “average” or “median-valued” home in their community, or why their taxes increased more than their neighbors’. The report explains several factors at work.

First, averages tend to mask variations among communities and between individual properties. Some local governments may levy more than others, which means both total tax collections and taxes on individual properties will be higher.

Shifting values also have an impact. If the value of an individual property rises more than other properties in a community, a homeowner may end up paying a larger share of the total tax “pie.” Similarly, if the total value of one municipality in a county or school district rises while other values decline, residents of that municipality may also be responsible for a bigger share of the total county or school district collections.

The WISTAX report, “Investigating Residential Property Taxes,” is available now by visiting [www.wistax.org](http://www.wistax.org); emailing [wistax@wistax.org](mailto:wistax@wistax.org); calling 608.241.9789; or writing WISTAX at 401 North Lawn Ave., Madison, WI 53704-5033. □

*(Editor’s Note: An electronic version of this release is available at [www.wistax.org](http://www.wistax.org).)*