**Fiscal Facts: Wisconsin’s limits on property taxes strictest among comparable states**

As recently as 2013, Wisconsin ranked among the 10 highest states for property taxes as a share of personal income in the state. To hold down levies, state officials capped in the 1993-94 school year the per pupil amount that districts can raise through state aid and local property taxes. Over the past decade, state officials have tightened annual increases in these revenue limits. Of the ten states where local governments depend most on the property tax, Wisconsin’s limits appear to be the strictest.

In 2006, the state placed limits on increases in municipal and county property tax levies. Levy limits initially were linked to the percentage growth in property values due to new construction, but a “floor” was established to allow increases of up to 2% for all communities if new construction did not reach that level. The floor varied between 2% and 3.86% between 2006 and 2010. In 2011, the minimums were removed, which in general froze municipal property taxes used for operations except for any increases due to new construction or voter referenda. These more restrictive limits came just as Wisconsin communities, particularly those in the north, saw a slowdown in development.

These property tax and school revenue limits have accomplished the goal of holding down levy increases. Between 1995 and 2005, municipal property taxes in Wisconsin increased an average of 5.7% per year, according to state Department of Revenue (DOR) data. Between 2005 and 2015, the average increase fell to 3.4% annually.

If municipal property taxes had continued to go up in that second 10-year period at the same rate as they had in the first, those property taxes would have been 24.9% higher overall in 2015. For comparison, while gross property taxes at all levels (including cities, counties, schools, etc.) increased by an average of 2.5% a year between 2005 and 2015, state taxes averaged 2.8% increases for the period. Not surprisingly, Wisconsin’s total state and local property tax burden has decreased over time, falling from 4.6% of personal income in 1993 to 3.7% in 2015, according to federal data.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at wispolicyforum.org.*