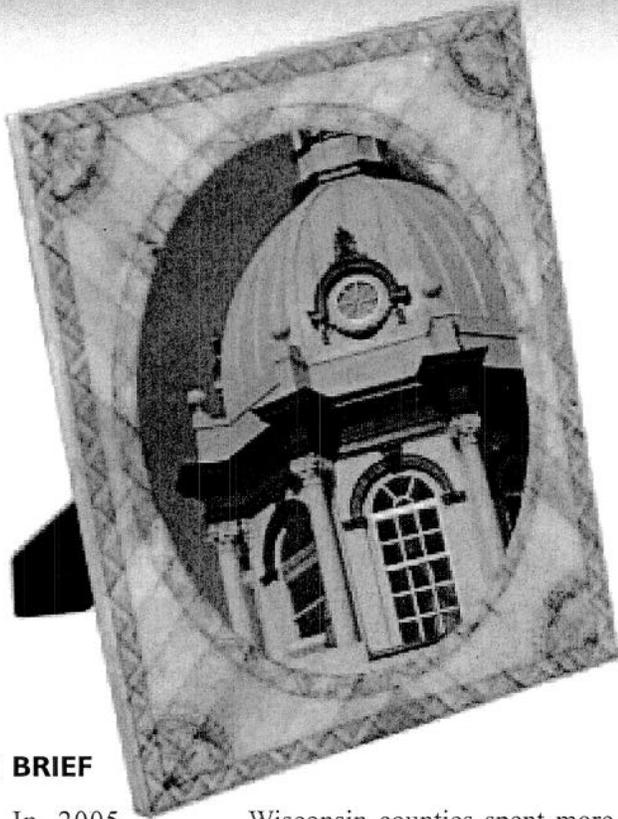


The Wisconsin Taxpayer

A monthly review of Wisconsin government, taxes, and public finance



IN BRIEF

In 2005, Wisconsin counties spent more than \$4 billion on operations. When debt service and spending on enterprises were added, total county expenditures topped \$7 billion.

■ At more than \$2 billion, health and human service spending was 46% of operational expenditures. Spending on public safety (20%) and general government (14%) were less.

■ Taxes represented 41% of general revenues and were the largest source of county revenues. State aids (35%) were also important.

■ From 2000 through 2005, county spending rose 23.4%, or an average of 4.3% per year.

■ During 2000-2005, state aids to counties rose 10.6%. Taxes were up 32.1%, and revenues from fees, fines, and permits climbed 58.0%.

Also in this issue:

HIRSP Enrollment, Claims Fall • Business Creation Slows • Population Growth Moderate

A Snapshot of County Finances: 2005

BACKGROUND

County government in Wisconsin dates back to 1818, when the state was still a territory. Originally, only three counties covered the state: Crawford in the west, Brown in the east, and Michilimackinac, which covered northern Wisconsin and Michigan's upper peninsula. Today, Wisconsin has 72 counties that spent more than \$7 billion in 2005 providing services to citizens.

Although county government's most visible activity is probably public safety—law enforcement and corrections—it spends significantly more on health and human service (HHS) programs. Nearly half of 2005 county spending was in this area.

Although counties have many revenue sources, their two major funding sources are taxes and state aids. In 2005, these two revenue streams accounted for nearly 80% of county general revenues. However, the mix has changed over the last five years. Due to slow growth in state aids to counties, taxes have grown from 39.0% of revenues to 41.4%. Public fees and charges climbed nearly three percentage points to 13.4%. State aids, meanwhile, dropped from 39.2% of the 2000 total to 34.9% in 2005.

This issue of *The Wisconsin Taxpayer* focuses on county spending and revenues. A detailed review of 2005 expenditure patterns and revenue sources is combined with an analysis of changes since 2000.

SPENDING

Counties spend money in three major areas. In 2005, the most recent year for which revenue and spending data are available, general operations spending—the focus of this report—totalled \$4.42 billion (see table on page two).

Counties spent an additional \$249.5 million on servicing debt and \$2.03 billion on proprietary enterprises, such as golf courses, hospitals, civic centers, and nursing homes. Debt service spending includes expenditures to refinance debt and does not include offsetting revenues. As such, these expenditures may be slightly misleading for

HHS Spending Tops in Counties

County Expenditures: Total (in \$ millions), Per Capita, and % of Total, 2005

	Amount	Per Capita	% of Oper.
Hlth. & Human Serv.	\$2,037.3	\$365.05	46.1%
Public Safety	879.0	157.50	19.9
Gen'l Government	615.4	110.27	13.9
Highways	418.2	74.93	9.5
Culture/Education/Rec.	302.5	54.20	6.8
Conserv. and Devel.	148.4	26.58	3.4
Waste and Sanitation	17.7	3.16	0.4
Operations Subtotal	4,418.3	791.70	100.0
Debt Service	249.5	44.71	
Total	4,667.8	836.41	

counties that refinanced their debt. Proprietary fund expenditures are not covered here because of wide-ranging differences in enterprise funds among counties.

Operational spending varied widely by county. On a per capita basis, county expenditures were more than double the state average (\$792) in Menominee County (\$1,737). As the table on page three shows, other "high-spending" counties included Door (\$1,570), Iron (\$1,544), and Florence (\$1,463).

There are many reasons a county's spending can be above average. The 10 counties spending the most per capita share several characteristics that account for at least part of the additional spending.

First, they are generally rural. Since counties must provide law enforcement to towns, rural counties tend to have higher county law enforcement costs. Among the 10 highest-spending counties, the percentage of residents living in towns ranged from 60% to 100%, compared to only 30% statewide. And, among these counties, law enforcement expenditures ranged from 22% above the state average in Washburn County to 266% above in Iron.

A second reason for high spending is income. With the exception of Door, all these counties have per capita personal incomes that are at least 16% below the state average; seven are at least 20% below. Since these counties tend to have lower incomes, their health and human services spending tends to be higher, raising total expenditures. In Adams County, HHS spending was only 3% above the state average. However, in the remaining nine, HHS spending was between 12% and 172% above the statewide norm.

The five counties spending the least per capita in 2005 were Waukesha (\$553), Wood (\$554), La Crosse (\$578), Ozaukee (\$580), and Calumet (\$607). These counties tended to be less rural than their higher-spending counterparts; they are among the 18 most urban counties in the state.

These counties were not poor either. All spent below average amounts on social service programs. In fact, since HHS spending is the largest county expenditure, that these counties had HHS spending between 21% and 39% below the state average explains much of their overall low spending.

Health and Human Services

Operating expenditures for HHS totalled \$2.0 billion, or 46.1% of the total (see table at left). HHS spending includes expenditures for mental health programs, public health services, veterans and senior programs, income maintenance, other social services, and general relief.

Spending Areas. The largest HHS expenditure was for "social services" (\$955.8 million, or 46.9% of all HHS spending), which include spending on child support, child welfare, and day care centers.

Mental health programs (\$501.2 million, 24.6%) were the next largest area of HHS spending. This includes expenditures for community mental health, alcohol and drug abuse, and for the developmentally disabled. Counties also spent \$254.6 million (12.5%) on "public health services," which include expenditures on public health clinics, animal and insect control, home nursing care, and human shelter.

By County. On a per capita basis, statewide 2005 HHS spending averaged \$365 (see table on page three). That figure varied widely from \$178 in Iowa county to \$991 in Menominee. Per capita spending in Menominee county, which is the state's poorest county, was 44% higher than the next highest county (Pepin, \$687).

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Per Capita County Spending by Expenditure Area
Total Spending and Major Areas, Lowest- and Highest-Spending Counties*

Total		HHS		Public Safety		General Govt.		Highways/Trans.	
County	Per Capita								
Waukesha	\$553	Iowa	\$178	Waukesha	\$91	Brown	\$52	Dane	\$20
Wood	554	Vilas	219	Grant	95	Grant	57	Rock	23
La Crosse	578	Waukesha	223	Calumet	96	Outagamie	71	Racine	34
Ozaukee	580	Portage	227	Buffalo	109	Vernon	72	Kenosha	37
Calumet	607	Wood	230	Outagamie	113	Wood	75	Milwaukee	40
Outagamie	609	Oneida	244	Winnebago	115	Rock	78	Winnebago	40
Winnebago	642	La Crosse	254	Chippewa	118	Winnebago	78	Calumet	45
Racine	654	Ozaukee	258	Eau Claire	118	Manitowoc	80	La Crosse	51
Iowa	671	Racine	270	Marathon	124	La Crosse	81	Walworth	52
Washington	677	Marathon	278	Wood	125	Calumet	82	Jefferson	56
<i>State Avg.</i>	<i>792</i>	<i>State Avg.</i>	<i>365</i>	<i>State Avg.</i>	<i>158</i>	<i>State Avg.</i>	<i>110</i>	<i>State Avg.</i>	<i>75</i>
Bayfield	1,231	Dodge	514	Vernon	251	Sawyer	192	Vernon	198
Washburn	1,334	Ashland	518	Vilas	254	Bayfield	199	Iron	201
Sawyer	1,387	Bayfield	519	Sauk	258	Iron	202	Jackson	203
Pepin	1,400	Price	535	Waushara	270	Door	208	Marquette	219
Adams	1,402	Washburn	547	Menominee	304	Lafayette	212	Price	220
Rusk	1,414	Rusk	550	Forest	309	Menominee	225	Buffalo	238
Florence	1,463	Douglas	564	Marquette	309	Kewaunee	259	Rusk	238
Iron	1,544	Jefferson	589	Florence	311	Crawford	273	Pepin	244
Door	1,570	Pepin	687	Sawyer	392	Florence	278	Washburn	253
Menominee	1,737	Menominee	991	Door	546	Columbia	307	Adams	388

*A complete listing of county spending by area is available on the WISTAX Web site at www.wistax.org/facts.

Public Safety

County spending on public safety totalled \$879.0 million, or 19.9% of total operations. Public safety spending is primarily expenditures on county jails (49.0% of the total) and law enforcement (40.8%). Counties also spent just under 6% of their public safety money on emergency communication (911) systems.

By County. In 2005, Wisconsin counties spent an average of \$158 per person on public safety. Three counties spent less than \$100 per person: Waukesha (\$91), Grant (\$95), and Calumet (\$96). Door County spent the most at \$546 per person, or nearly 40% above the next highest county. Five rural counties had public safety expenditures that topped \$300 per capita: Sawyer (\$392), Florence (\$311), Marquette (\$309), Forest (\$309), and Menominee (\$304).

General Government

General government expenditures totalled \$615.4 million, or 13.9% of the total. Most expenditures in this category are those incurred to run a county. They include administrative expenditures, such as those for the county administrator and board, clerk, elections, treasurer, and accounting. General government also in-

cludes spending courts and on buildings and plant. This latter item includes custodial compensation or contracts, and spending on building maintenance.

Judicial spending—expenditures on circuit and probate courts, clerk of courts, family court commissioner, and related services—was the largest general government expenditure in 2005. At \$154.5 million, judicial spending accounted for just over one-quarter (25.1%) of all general government spending.

Another 24.7% of general government spending was for administration, with general administration accounting for 14.5% of the total and financial administration, 10.2%.

The other two major general government expenditures were for legal expenses (11.4%)—which include spending for the district attorney and corporation counsel—and for buildings and plant (11.6%).

By County. While general government spending averaged 13.9% of expenditures statewide, among individual counties it ranged from 7.0% in Brown County to 30.6% in Columbia.

HHS spending varied from \$178 per capita in Iowa County to \$991 in Menominee.

Per capita spending on general government was lowest in Brown (\$52), Grant (\$57), and Outagamie (\$71) counties. It was highest in Columbia (\$307), Florence (\$278), and Crawford (\$273) counties.

Highways and Transportation

Counties spent \$418.2 million, or nearly 10% of operational expenditures, on roads, highways, and other transportation. At \$75 per person, this spending category was fourth largest.

By County. Expenditures in this area were highest in Adams (\$388), Washburn (\$253), Pepin (\$244), Rusk (\$238), and Buffalo (\$238) counties. Seven counties spent less than \$50 per capita on highways and transportation. Spending the least were the southern counties of Dane (\$20), Rock (\$23), Racine (\$34), and Kenosha (\$37).

Other Spending

Statewide, spending on four areas—HHS, public safety, general government, and highways and transportation—comprised nearly 90% of 2005 county operational spending. Of the remainder, the largest amount was for various cultural, education, and recreation programs (\$302.5 million, or 6.8%). Finally, counties spent \$148.4 million (3.4%) on conservation and development, and \$17.7 million (0.4%) on waste and sanitation.

REVENUES

In 2005, Wisconsin counties collected \$4.694 billion, or \$841 per person, in general revenues. The table on page five shows the 10 counties that collected the most per capita and the 10 that collected the least. Five counties—Menominee, Florence, Door, Washburn, and Iron—took in at least \$1,400 per person. Waukesha, Ozaukee, Calumet, Outagamie, Wood, La Crosse, Iowa, and Fond du Lac counties each collected less than \$700 per resident.

Although Wisconsin counties have a variety of revenue streams, more than 75% of their money is collected either from taxes or from state aids (see chart at right). Other revenue sources include charges for services and for licenses and permits, fines, and federal aids.

Taxes

Counties collect several kinds of taxes, including those on property, sales, real estate transfers, and managed forest lands. Tax collections

totalled \$1.94 billion in 2005. At \$1.60 billion, the property tax was the largest revenue source for counties.

Counties can also impose a 0.5% sales tax. As of 2005, 58 counties had one. Since then, county sales taxes have been added in Florence and Rock counties. A total of \$264.7 million was collected in 2005 from this tax. Combined, property and sales taxes were 97% of all county tax collections.

Wisconsin counties also receive a portion of the real estate transfer fee. This “fee” is a tax on the sale of real estate and is set at \$3 for every \$1,000 of property value. Counties retain 20% of the tax collected; the remaining 80% goes to the state. In 2005, counties received \$19.8 million from this source.

By County. The amount of taxes (particularly property taxes) a county collects depends on its spending level and on the amount of other revenues it receives from state and federal aids. Per capita taxes were lowest in Grant (\$231), Waukesha (\$251), Ozaukee (\$274), Chippewa (\$274), Eau Claire (\$275), and Racine (\$275) counties. Of the 10 lowest-taxed counties, six were among the 10 lowest-spending counties.

Six of the high-tax counties were also among the top 10 in spending: Door (\$788 tax per capita), Adams (\$680), Florence (\$649), Washburn (\$623), Sawyer (\$587), and Iron (\$571).

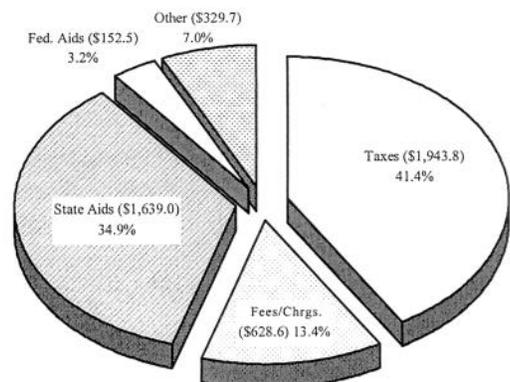
Fees/Fines/Permits

Counties also collected revenue from a variety of fees (\$578.0 million), fines (\$29.3 million), and licenses and permits (\$21.3 million). Among the largest county fees and charges are those for HHS, which include revenues for services provided by the county health officer and

Rural counties tended to spend more per capita on law enforcement than urban counties.

At \$1.6 billion, the property tax was the largest revenue source for counties.

County General Revenues
2005, Total = \$4,693.6 Million



nurse, home nursing care fees, child support collections, and senior citizen program fees. Other fees include register of deeds fees, court fees, parking and airport fees, and charges for parks, museums, zoos, and libraries.

Revenues from licenses and permits are mostly from building permits and from inspection and zoning fees. Fines and forfeitures are mostly collections for violations of county ordinances and the county's share of state fines and forfeitures.

By County. Revenues from fees, fines, and permits topped \$250 per capita in Washburn (\$304), Jefferson (\$289), Sawyer (\$266), and Milwaukee (\$256) counties. In Washburn and Sawyer counties, much of revenue was from forest fees, including the sale of firewood, pulp, and logs from county-owned forests. In Milwaukee and Jefferson counties, most of these dollars came from "other health service fees," which include county services such as health inspections, home nursing care, vital statistics, and the county nurse.

Counties that collected the least in fees, fines, and permits were Wood (\$33), Kenosha (\$41), Buffalo (\$42), Menominee (\$42), and Iowa (\$42).

State Aids

State dollars transferred to counties in 2005 totalled \$1.64 billion. Although state shared revenues (\$154.2 million, 9.1% of total state aids) seem to be the most widely discussed form of state assistance to counties, they pale in comparison to the \$1.19 billion (70.4%) counties receive in state health and human services assistance. Other major state assistance that counties received was for transportation (\$127.4 million, 7.5%), for conservation (\$30.7 million, 1.8%), and for law enforcement (\$29.9 million, 1.8%).

By County. In 2005, state assistance to counties averaged \$294 per person. Menominee County (\$1,082) received the most per capita state dollars, 45% more than the second highest (Pepin, \$744). Most of Menominee's aids were HHS dollars. Other counties with high amounts

Per Capita County Revenues by Type
Total Revenues and Major Areas, Bottom and Top 10 Counties, 2005

Revenues		Taxes		Fees/Fines/Permits		State Aids	
County	Per Capita	County	Per Capita	County	Per Capita	County	Per Capita
Waukesha	\$549	Grant	\$231	Wood	\$33	Walworth	\$156
Ozaukee	603	Waukesha	251	Kenosha	41	Iowa	159
Calumet	633	Ozaukee	274	Buffalo	42	Waukesha	182
Outagamie	634	Chippewa	274	Menominee	42	Rock	193
Wood	644	Eau Claire	275	Iowa	42	Ozaukee	203
La Crosse	650	Racine	275	Brown	45	Fond du Lac	209
Iowa	657	Calumet	284	Racine	45	Outagamie	221
Fond du Lac	658	Fond du Lac	287	Vernon	45	Oneida	224
Racine	700	Outagamie	293	Marathon	48	Vilas	227
Washington	704	La Crosse	304	Douglas	51	Washington	228
<i>State Avg.</i>	<i>841</i>	<i>State Avg.</i>	<i>348</i>	<i>State Avg.</i>	<i>113</i>	<i>State Avg.</i>	<i>294</i>
Sawyer	1,289	Iron	571	Burnett	181	Douglas	515
Adams	1,309	Walworth	573	Clark	206	Crawford	523
Bayfield	1,388	Sawyer	587	Marinette	211	Price	524
Pepin	1,395	Marquette	602	Bayfield	212	Bayfield	535
Rusk	1,398	Washburn	623	Iron	219	Jackson	538
Iron	1,430	Vilas	640	Adams	242	Iron	570
Washburn	1,454	Green Lake	645	Milwaukee	256	Rusk	687
Door	1,593	Florence	649	Sawyer	266	Florence	699
Florence	1,665	Adams	680	Jefferson	289	Pepin	744
Menominee	1,778	Door	788	Washburn	304	Menominee	1,082

of state assistance were the northern counties of Florence (\$699), Rusk (\$687), and Iron (\$570).

Four counties received less than \$200 per capita in state dollars: Walworth (\$156), Iowa (\$159), Waukesha (\$182), and Rock (\$193).

TRENDS

Spending

From 2000 through 2005, county spending rose 23.4%, or an average of 4.3% per year. The increase was slightly higher than the increases for municipal (cities, villages, and towns) governments (21.0%) and for schools (21.6%).

Among major county expenditures, the largest percentage increase was in conservation and development (33.9%), though the amount spent (\$302.5 million, or 6.8% of the total) was relatively small. Increases in the top three spending categories—HHS (27.5%), general government (24.6%), and public safety (24.6%)—primarily drove spending changes. Roads and highways (8.7%) and culture, education, and recreation (12.7%) were two areas that rose less than average, while waste and sanitation expenditures declined 6.0%.

County spending rose an average of 4.3% per year from 2000 through 2005.

Changes in Per Capita Operating Spending
Top and Bottom 10 Counties, 2000-2005

	Operating Expenditures		
	2000	2005	% Chg.
Richland	\$1,022	\$830	-18.9%
Forest	1,074	939	-12.6
Marinette	985	893	-9.3
Burnett	1,034	1,022	-1.2
Langlade	927	921	-0.7
Chippewa	717	731	2.0
Waupaca	829	854	3.0
Florence	1,388	1,463	5.4
Fond du Lac	678	715	5.4
La Crosse	548	578	5.5
<i>State Avg.</i>	<i>674</i>	<i>792</i>	<i>17.5</i>
Sawyer	1,039	1,387	33.5
Portage	510	684	34.1
Green Lake	772	1,054	36.6
Crawford	841	1,168	38.9
Kewaunee	737	1,078	46.2
Jefferson	650	953	46.6
Iron	1,044	1,544	47.9
Door	1,057	1,570	48.5
Columbia	638	1,004	57.4
Vernon	608	967	59.1

Between 2000 and 2005, per capita operating expenditures declined in five counties.

Per Capita Spending. Between 2000 and 2005, populations in Wisconsin's 72 counties have grown at different rates, from a decline of 2.6% in Menominee to a 26.4% jump in St. Croix. Because population changes can affect spending, changes in expenditures are examined on a per capita basis. Statewide, per capita county spending climbed 17.5%, or an average of 3.3% per year during this period.

Per capita spending declined in five counties over the period studied (see table above). Richland had the largest decline, with 2005 per capita spending nearly 19% below the 2000 level. Part of the drop resulted from more than \$2 million of capital expenditures that occurred in 2000 but not in 2005. A second factor was a decline in HHS spending that exceeded 30%.

Other counties where spending declined over the period studied were Forest (-12.6%), Marinette (-9.3%), Burnett (-1.2%), and Langlade (-0.7%). Per capita spending in Chippewa and Waupaca counties rose less than 4% over the period studied.

The largest per capita spending increase was in Vernon County, where 2005 expenditures were nearly 60% higher than in 2000. Public safety expenditures there more than tripled, and HHS spending was up 40%. Per

capita operating spending also rose more than 40% in Columbia, Door, Iron, Jefferson, and Kewaunee counties.

Revenues

County general revenues rose 24.3%, or an average of 4.4% per year, from 2000 through 2005. Modest state aid increases resulted in more taxes and fees.

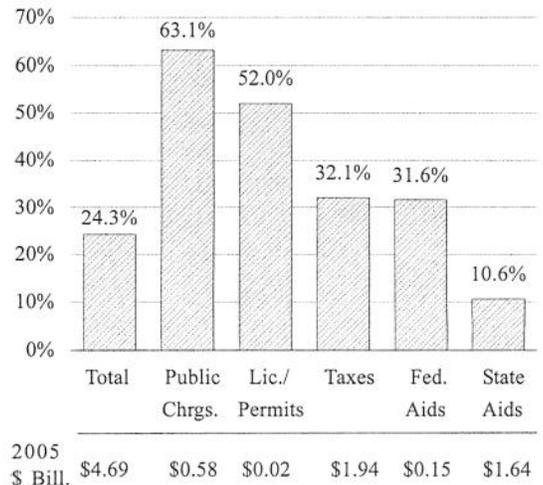
As the chart below shows, state assistance—the second-largest county revenue source (see chart on page four)—rose 10.6% from 2000 through 2005. State shared revenues, general government aid, law enforcement assistance, and recycling aid were all lower in 2005. State aids for roads and highways climbed 16.9%. HHS assistance from the state was 13.0% higher in 2005 compared to 2000.

Partly due to the modest increase in state aids, counties have increasingly used taxes and fees to fund spending. Taxes, which are counties' largest revenue source, climbed 32.1% from 2000 through 2005. Property taxes increased 33.7%, while county sales taxes rose 27.3% over the period.

A second major trend has been toward greater use of fees, fines, and permits. In 2000, they comprised 10.5% of county general revenues. However, a 58.0% increase from 2000 through 2005 increased their revenue share to 13.4% of the total. Fee revenue (63.1%) rose the most, followed by licenses and permits (52.0%). Revenues from fines and penalties dropped over the period.

Slow growth in state assistance shifted county revenues more to local taxes and fees.

Public Charges Rise Most, State Aids Least
County Revenue, 2000-2005 % Change



2005 \$ Bill.	Total	Public Chrgs.	Lic./Permits	Taxes	Fed. Aids	State Aids
	\$4.69	\$0.58	\$0.02	\$1.94	\$0.15	\$1.64

Changes in Per Capita Revenues
Bottom and Top 10 Counties, 2000-2005 % Change

General Revenues		Taxes		State Aids		Licenses/Permits		Public Charges	
County	Change	County	Change	County	Change	County	Change	County	Change
Richland	-9.6%	Lafayette	-1.4%	Walworth	-32.7%	Taylor	-32.0%	Menominee	-62.6%
Fond du Lac	3.0	Dane	11.2	Milwaukee	-17.9	Clark	-21.8	Fond du Lac	-55.1
Adams	5.7	Waushara	11.7	Adams	-14.4	Menominee	-15.1	Kewaunee	-32.2
Waushara	6.1	Pepin	12.0	Richland	-13.5	Vilas	-12.0	Richland	-30.2
Burnett	6.6	Bayfield	12.5	Waushara	-9.9	Crawford	-11.8	Sauk	-24.1
Iowa	6.9	Washington	13.8	La Crosse	-7.0	Vernon	-0.9	Barron	-21.8
Shawano	7.7	Adams	14.2	Oconto	-7.0	Waupaca	1.0	Lincoln	-15.2
Dunn	7.8	Iowa	15.6	Marinette	-5.0	Milwaukee	4.2	Juneau	-11.2
Clark	8.3	Florence	15.9	Vilas	-4.0	Oneida	5.2	La Crosse	-8.0
Outagamie	8.6	Burnett	16.3	Fond du Lac	-2.4	Richland	5.7	Forest	-5.1
<i>State Avg.</i>	<i>18.3</i>	<i>State Avg.</i>	<i>25.7</i>	<i>State Avg.</i>	<i>5.3</i>	<i>State Avg.</i>	<i>44.7</i>	<i>State Avg.</i>	<i>55.2</i>
Washburn	30.5	Ozaukee	46.7	Crawford	31.8	Marquette	98.3	Oneida	73.8
Green	30.6	Monroe	48.0	Ozaukee	32.2	Adams	101.1	Iron	76.4
Portage	30.7	Grant	48.6	Price	32.4	Polk	105.7	Adams	77.1
Columbia	34.9	Polk	48.8	Bayfield	34.9	Columbia	113.1	Vernon	79.3
Green Lake	37.8	Green	50.4	Lafayette	35.8	Lafayette	142.6	Sawyer	89.1
Ozaukee	38.5	Columbia	52.7	Manitowoc	36.6	Winnebago	155.5	Door	101.3
Polk	40.2	Menominee	59.1	Jefferson	37.0	Waushara	166.5	Washburn	119.2
Jefferson	44.6	Vilas	59.4	Green Lake	38.4	Trempealeau	210.6	Dodge	137.0
Door	47.6	Douglas	68.1	Door	41.0	Sheboygan	215.7	Milwaukee	146.6
Dodge	70.9	Forest	100.9	Kewaunee	62.3	Monroe	284.6	Jefferson	152.6

By County. Statewide, per capita general revenues rose 18.3%. The table on page seven shows counties with the highest and lowest increases in various per capita revenues. Richland County had nearly a 10% decline in per capita revenues from 2000 through 2005. There, a 20.2% increase in tax revenue did not offset a 13.5% drop in state aids and a 30.2% decline in public charges. Per capita revenues increased less than 10% in 11 other counties.

The largest general revenue increase was in Dodge County (70.9%). There, taxes rose 22.3%, state aids climbed 10.5%, public charges were up 137.0%, and license/permit revenues jumped 82.3%. Three other counties—Door, Jefferson, and Polk—had general revenue increases of at least 40%.

Lafayette was the only county to collect fewer tax dollars in 2005 than in 2000. The county implemented a sales tax in 2001 and collected nearly \$600,000 from it in 2005. However, the county's 2005 property tax collections were \$671,511 less than in 2000. Dane (11.2%) and Waushara (11.7%) counties had the next-lowest tax increases.

The largest jump was in Forest County, where taxes doubled. There, property taxes rose 143% and county sales taxes were up 11%.

These increases offset declines in public charges and license/permit revenues. Per capita general revenues in the county were up 24.3%.

Per capita state aids rose a modest 5.3% over the five years studied. However, 14 counties received less in 2005 than in 2000. In addition to the 10 listed in the table above, per capita state aids fell in Burnett (-2.1%), Eau Claire (-0.7%), St. Croix (-0.6%), and Grant (-0.4%) counties. Counties with the largest state aid increases were Kewaunee (62.3%), Door (41.0%), Green Lake (38.4%), and Jefferson (37.0%).

While there was a definite shift toward increasing licensing and permit fees and other public charges, this did not seem to be a universal trend. Thirteen counties had declines in public charges, while six had drops in license/permit revenues.

Five counties had more than a 100% increase in revenues from public charges: Jefferson, Milwaukee, Dodge, Washburn, and Door. Nine had similar increases in revenues from licenses and permits: Monroe, Sheboygan, Trempealeau, Waushara, Winnebago, Lafayette, Columbia, Polk, and Adams. □

DATA SOURCE:

Wisconsin Department of Revenue; WISTAX calculations.

From 2000 through 2005, 12 counties had per capita revenue increases of less than 10%.

AROUND THE STATE

■ **HIRSP Enrollment, Claims Fall.** Wisconsin's Health Insurance Risk-Sharing Plan (HIRSP) provides medical and prescription drug insurance for individuals who, due to severe health conditions, cannot obtain coverage in the private market. In 2006-07, HIRSP enrollments totalled 17,612, a decline of 1,038 from 2005-06 and 1,773 fewer than the 2004-05 peak of 19,385.

Net claims costs also declined. According to the Legislative Audit Bureau, they declined 1.2% in 2005-06 to \$128.9 million. Claim costs rose more than 20% in each of the preceding four years.

In fiscal 2006, HIRSP was funded with grants from the federal Centers for Medicare and Medicaid Services (\$2.2 million), policyholder premiums (\$92.7 million), and assessments on health insurance companies (\$32.4 million). The plan also benefits from reduced reimbursements to health care providers.

■ **Business Creation Slows.** After increasing every year since at least 1997, the number of new domestic business entities created in Wisconsin declined 4.6% in 2006-07 to 32,701. Despite the decline, the 2007 figure was more than double the 15,006 businesses created in 1996.

New figures from the Wisconsin Department of Financial Institutions show significant changes in the type of new business registrations. In 1996, 57.0% of new business filings were corporations, 26.2% were limited liability companies (LLCs), and the remainder were partnerships and nonprofits. In 2007, more than 80% of new business registrations were

LLCs, while only 13% were corporations, and less than 7% were other forms. One of the advantages of an LLC is that business profits can be passed through to the owners, who are then taxed on their individual income tax returns. These taxes are typically lower than corporate income taxes.

WISTAX FOCUS

■ **Population Growth Moderate.** Since 2000, Wisconsin ranked 32nd among states in population growth, with an average annual increase near 0.6%. In "Population Changes Matter!" (*Focus* #19-07), WISTAX notes that Wisconsin's net natural increase and migration were both below average. The report also highlights population growth by county, noting that 15 counties accounted for two-thirds of the increase, with the counties of Brown, Dane, St. Croix, and Waukesha leading the way. □

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I certify that all information furnished is true and complete.
Todd A. Berry, President and Managing Editor

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its 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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