“We are cutting taxes to the lowest point in decades.” (Budget Office)
“Independent studies show our Act 10 reforms have saved schools, local and state government some $5 billion. They note that the savings from these reforms more than cover the budgetary changes in the past.” (Brett Healy, Act 10 Saves Wisconsin Taxpayers More Than $5 Billion Over 5 Years, MacIver Analysis Finds, 2/11/17.)

“The budget is projected to end with a higher than expected ending balance this year.”

- “Based upon the November 21 report, the administration's general fund condition statement for 2016-17 reflects a gross ending balance of $104.8 million and a net balance (after consideration of the $65.0 million required statutory balance) of $39.8 million. [Fiscal Bureau’s] analysis indicates a gross balance of $427.2 million and a net balance of $362.2 million. This is $322.4 million above that of the administration’s report.” (State of Wisconsin, Legislative Fiscal Bureau, 1/18/17)

“Our rainy day fund is the largest in state history – 165 times bigger than when we took office.”

- The Budget stabilization fund balance at end of FY10 was $1.684 million whereas the budget stabilization fund balance at the end of FY16 was $281.179 million (State of Wisconsin, 2011 Annual Fiscal Report; State of Wisconsin, 2016 Annual Fiscal Report)
• The State’s Budget Stabilization Fund ended Fiscal Year 2016 with a balance of $281 million, the highest balance ever in this "rainy day" fund. (State of Wisconsin, 2001-2016 Annual Fiscal Reports)

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<th>Budget Stabilization Fund Fiscal Year Fund Balance, In Millions</th>
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“Our state pension system is one of only a few in the country that is fully funded.”

- “Thanks in great part to a fully funded pension system ... state's long-term obligations were the fourth lowest in the nation when they were measured as a share of [WI annual] income ... according to the new report from the Pew Charitable Trusts. Only South Dakota, Tennessee and Nebraska do better by that measure. ... accounting for all the money the states owe to major creditors such as bondholders and public employees who are due to receive pension and health benefits on retirement. It would take 4.8% of all the annual income made by Wisconsin residents to pay off those obligations, or just under one-third of the national average of 14.8%. Report details. GOP Rep. Kooyenga "not surprised," touted WRS. Evenson for Walker also hailed report. "Governor Walker has long said we should be looking out for the next generation and not just the next election, and that’s exactly what we’ve done and will continue to do." (Jason Stein, "Wisconsin Taxpayers Have Lighter Debt Load, [Pew] Report Says," Milwaukee Journal Sentinel, 5/17/16)

“Our outstanding long-term debt is some of the lowest (meaning best) in the country.”

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“First, we continue to lower property taxes.”

- Since December of 2010, the cumulative reduction is $426 on that tax bill. (Department of Revenue, “Wisconsin’s Property Taxes at Historic Low,” Accessed 1/9/17; Bob Lang, Director Legislative Fiscal Bureau, Letter to Members of Wisconsin Legislature Regarding Property Tax Bill Updates, 11/19/15)
- Given the Governor’s ongoing commitment to hold the line on property taxes, the tax bill for the median value home in December 2018 tax bill is expected to be $139 lower than the December 2010 tax bill. (Budget in Brief)

“As promised, property taxes on a median-valued home will be lower in 2018 than they were in 2010.”

- With this budget, the owner of a median-valued home will have saved a cumulative $706 over eight years compared to where they were in 2010 or nearly $3,000 compared to the four-year trend leading up to 2010. (Budget in Brief)

“As a percentage of personal income, they are the lowest since World War Two.”

- “Even more significant was Wisconsin’s property tax burden relative to personal income. After rising over the prior decade to 4.2% of income in 2010-11, Wisconsin’s property tax burden now stands at 3.6%, the lowest since 1946.” (Wisconsin Taxpayers Alliance, “Wisconsin’s property tax burden now stands at 3.6%, the lowest since 1946,” 7/15/15)
“To drive them down even further, we are permanently eliminating the state portion of your property tax bill. For the first time since 1931, there will be no state tax collected on your property tax bill.”

- End the state-levied property tax – thereby eliminating one source of ongoing property tax increases. This tax, which had gone up any time that a property’s value increased, will no longer be imposed on Wisconsin property owners. Ending the state-levied property tax will save the median value homeowner approximately $27 in the near term and more in the future as home values increase. (Budget in Brief)

- The only remaining state property tax is the state forestation tax, which was created in 1931. (State of Wisconsin, Legislative Fiscal Bureau, Property Tax Level in Wisconsin, January 2017) (State of Wisconsin, Legislative Reference Bureau, A History of Property Tax and Property Tax Relief in Wisconsin, p.26)

“Second, we fully implemented the manufacturing and agriculture production tax credit.”

- Eliminate an unintended overlap in the Manufacturing and Agriculture Credit that presently allows taxpayers to claim both that credit and the credit for taxes paid to other states on effectively the same income. Correcting this provision will increase tax revenues by $9,700,000 annually in both fiscal year 2017-18 and fiscal year 2018-19. (Budget in Brief)

“Third, we help working families with a sales tax holiday on school supplies and clothing.”

- The Governor’s Budget creates a "back to school" sales tax holiday effective for two days in both August 2017 and August 2018 for specified school supplies. The "back to school" sales tax holiday will exempt from sales tax items below certain dollar thresholds -- including clothing if the sales price is no more than $75, computers under $750, and certain school supplies under $75. This sales tax holiday will save Wisconsin families an estimated $11,000,000 during each of these two "back to school" shopping seasons. (Budget in Brief)

“Fourth, we cut income taxes. As promised, income taxes in 2018 will be less than they were in 2010. Overall, income taxes on a typical family will go down $139 in this budget - so cumulatively from 2010 to 2018, that’s a savings of $1542.”

- As indicated in the table below, the cumulative benefit to Wisconsin taxpayers is considerable, and by Tax Year 2018 will reach $1,542 for the median income family of four. (Budget in Brief)
By Tax Year 2017, the combined impact of the three income tax reductions will be an annualized tax cut of $545 million. Of the $545 million in tax relief in Tax Year 2017 alone, 53 percent will be delivered to taxpayers with incomes below $100,000. The Governor’s proposed tax reductions in this budget are especially aimed at the middle class, with almost 69 percent of the benefits going to those with incomes below $100,000. (Budget in Brief)
Under the Governor’s income tax relief initiatives, including those in this 2017-19 budget bill, have reduced all tax rates, broadened the second bracket to tax more income at a lower rate and collapsed the previous third and fourth bracket into one bracket to also tax more income at a lower rate. (Budget in Brief)

“Overall, the total new tax relief in our budget is $592.7 million.”
This budget reduces taxes and fees by $592.7 million over the biennium. The Governor’s 2017-19 budget proposals reduce net taxes and fees by an estimated $432,922,400 over the biennium. This number, combined with the increase to the levy credit (The budget continues the Governor’s commitment to property tax relief by increasing the School Levy Tax Credit by $87,000,000) and the increase to general equalization aid (The Governor’s Budget increase general equalization aid by $72,750,000 fiscal year 2018-19 to augment state support for schools and hold statewide property tax bills flat) puts the total tax and fee reduction at $592.7 million. (Budget in Brief)

“At a time when we have significant new revenues, we need to lower the overall tax burden on the hard-working people of Wisconsin.” (State of Wisconsin, Legislative Fiscal Bureau, 1/18/17)

“Instead, now that we have higher than expected revenues from the Reform Dividend, we need to use those dollars to fund our priorities.” (State of Wisconsin, Legislative Fiscal Bureau, 1/18/17)

Wisconsin Budget Address Fact Sheet
“With this in mind, we expand the Earned Income Tax Credit to make it more attractive to work and fix the marriage penalty.”

- The Governor’s Budget increases the Earned Income Tax Credit for those with one dependent child from 4% of the federal credit to 11% of the federal credit beginning in tax year 2018. (Budget in Brief)
- This has a fiscal impact of $20.8 million in 2018 and is estimated to benefit 131,000 filers. The budget reduces the marriage penalty in EITC by creating a honeymoon period of three years for newly married couples. This is estimated to increase this benefit by roughly $1.5 million over the biennium and benefit 8,000 filers. (Budget in Brief)
- The budget also extends the EITC to noncustodial parents who meet their child support obligations at 7.5 percent of the federal credit for filers with one dependent child. (Budget in Brief)

“Similarly, we provide a new way to help young adults who age out of Foster Care and other forms of assistance to enter the workforce.”

- The budget also extends the EITC to noncustodial parents who meet their child support obligations at 7.5 percent of the federal credit for filers with one dependent child. The budget also creates an employment assistance tax credit for young adults aging out of foster care and supplemental security income. The credit would be set at 125 percent of the federal credit for childless adults and is estimated to have a total benefit of $725,000 in the biennium and benefit 2,000 filers. (Budget in Brief)

“We are adding another $20 million to the rainy day fund, making it 178 times larger than when we took office.”

- This budget includes a deposit into the Budget Stabilization Fund of $20 million pushing the total over $300 million. This means that the Budget Stabilization Fund will be 178 times larger than it was in 2010. (Budget in Brief)

“And our budgets continue to end with surpluses.”

- The revised Annual Fiscal Report posted in November reports a FY16 closing balance of $331 million (State of Wisconsin, 2016 Annual Fiscal Report)