



Legislative Fiscal Bureau

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September 2, 2021

TO: Senator Howard Marklein, Senate Chair
Representative Mark Born, Assembly Chair
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Preliminary 2020-21 General Fund Tax Collections

2020-21 General Fund Tax Collections

Preliminary information regarding general fund tax collections for the 2020-21 fiscal year is now available. According to the Department of Revenue (DOR), collections totaled \$19,572.8 million in 2020-21, which was 11.6% higher than the previous year.

The final estimate of 2020-21 tax collections (projected on June 8) was \$19,253.8 million. Actual collections were \$319.0 million, or 1.7%, above the estimated amount.

The attached table shows a comparison of the estimated and preliminary actual general fund tax collections, along with the differences between the estimated and preliminary actual amounts. The figures in the table are based on preliminary reports of 2020-21 tax revenues provided by DOR. Final general fund tax collections, along with departmental revenues and expenditures for 2020-21, will be available in mid-October when the state's Annual Fiscal Report is released by the Department of Administration.

2020-21 Deposit to the Budget Stabilization Fund

Under s. 16.518 of the statutes, half of any excess of actual general fund tax collections in a fiscal year over the amount estimated at the time of enactment of the biennial budget must be deposited into the budget stabilization fund at the close of the fiscal year. Under this provision, it is estimated that, for 2020-21, \$967.4 million will be transferred to the budget stabilization fund. That calculation is shown below.

**2020-21 Deposit to the Budget Stabilization Fund
(In Millions)**

Preliminary Actual Tax Collections	\$19,572.8
2019 Act 9 Tax Estimate	<u>-17,638.0</u>
Difference	\$1,934.8
Difference ÷ 2 for Deposit to the Budget Stabilization Fund	\$967.4

The \$967.4 million amount is \$159.5 million above the June 8 estimate. The budget stabilization fund currently has a balance of \$762.4 million. With the transfer shown here, that balance would increase to \$1,729.8 million, plus whatever interest accrues to the fund.

BL/SM/lb
Attachment
cc: Members, Wisconsin Legislature

ATTACHMENT

**Preliminary Information on Actual General Fund
Tax Collections for the 2020-21 Fiscal Year
(\$ in Millions)**

	Fiscal Year 2020-21		Difference	
	<u>General Fund Tax Revenues</u> <u>Estimated</u>	<u>Actual</u>	<u>Actual from Estimate</u> <u>Difference</u>	<u>Percent</u>
Individual Income	\$9,250.0	\$9,283.4	\$33.4	0.4%
General Sales and Use	6,325.0	6,373.5	48.5	0.8
Corporate Income/Franchise	2,330.0	2,560.1	230.1	9.9
Public Utility	356.0	356.3	0.3	0.1
Excise				
Cigarette	507.0	509.8	2.8	0.6
Tobacco Products	93.0	92.7	-0.3	-0.3
Vapor Products	1.3	1.5	0.2	15.4
Liquor and Wine	65.0	64.6	-0.4	-0.6
Beer	9.5	9.2	-0.3	-3.2
Insurance Company	201.0	202.1	1.1	0.5
Miscellaneous	<u>116.0</u>	<u>119.6</u>	<u>3.6</u>	3.1
TOTAL	\$19,253.8	\$19,572.8	\$319.0	1.7%