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Recent Tax Cuts Slanted in Favor of those with Highest Incomes

Tax cuts passed by Wisconsin lawmakers in recent years have disproportionately gone to the wealthy, according [to a new analysis from the Wisconsin Budget Project](#).

The [analysis](#) reviewed the combined effect of 13 personal income, corporate income, and property tax cuts passed between 2011 and 2016 that reduce state revenue by \$1.7 billion this year.

The analysis used three different methods to compare the size of the tax cuts received by different income groups. All three methods showed that middle-class taxpayers receive less from the combined tax cuts than the wealthy, and that residents with the lowest incomes receive the least:

- Measured as a share of revenue loss to the state: The top 1% receive a combined tax cut of \$420 million in 2017, more than 10 times as large as the \$40 million tax cut taxpayers in the bottom 20% receive – even though there are 20 times as many taxpayers in the group with the lowest income.
- Measured in terms of average tax cut: Taxpayers in the top 1% by income – a group with an average income of \$1.7 million – receive an average 2017 tax cut of \$10,015, compared to \$175 for taxpayers with incomes in the lowest 20%, a group with an average income of \$15,000.
- Measured as a share of the taxpayer's income: The tax cuts the top 1% receive (0.70% of income) are more than twice as large on average as the tax cuts taxpayers with the lowest incomes receive (0.33% of income). This comparison takes into account the relative sizes of the incomes of the different groups.

“Any way you slice it, the lion’s share of these tax cuts has gone into the pockets of people who already have a lot of money,” said Tamarine Cornelius, author of the analysis. “The top 1% is saving more on taxes each week from these tax cuts than the lowest income group will save over the course of the whole year.”

“When the tax cuts are considered as a whole, it’s striking how much of the benefit is going to a group with an average income in the millions of dollars,” said Cornelius. “People who aren’t among the very top earners aren’t getting as much out of these tax cuts.”

The analysis is based on information from the Institute on Taxation and Economic Policy. The Wisconsin Budget Project is a nonpartisan research group focusing on tax and budget policy. For the full analysis, go to [“Missing Out: Recent Tax Cuts Slanted in Favor of those with Highest Incomes.”](#)