THE WISCONSIN
TAXPAYER

Vol. 84, Number 3 | March 2016

One Hundred Years and Counting
Wisconsin's Income Tax: History, Process, and Filers

Wisconsin became the first state to tax income in 1911. Now, the income tax generates $7.3 billion annually, or about half of state general fund revenue. In 2014, two-thirds of filers had incomes under $50,000 and paid 9.4% of taxes. A majority of income (52.2%) and taxes (56.7%) can be attributed to the 31% of filers in the $50,000-to-$200,000 income range. Those with incomes over $200,000 filed 2.5% of returns but paid more than one-third (33.9%) of taxes. Across all income groups, the average effective income tax rate was 4.2%.

Of all Wisconsin's taxes, the one most capable of generating new income for government is typically the state income tax.

While local property tax increases are mostly limited by state mandate, during times of economic growth, state budgets can grow steadily as taxable income and the revenue it generates expand.

In 2015, Wisconsin's income tax generated $7.3 billion, more than sales ($4.9 billion) and corporate income ($1.0 billion) taxes combined. Given that state general fund expenditures totaled $15.5 billion that year, the central role that the state income tax plays in state fiscal policy cannot be denied.

Whether a citizen's interest is added state funding for health and education or increased take-home pay, Wisconsin's individual income tax cannot be ignored.

The informed citizen should understand how it became the nation's first ongoing income tax, how it evolved over the past 100 years, who pays it today, and its current problems that will demand attention in the years to come.

HERE VS. ELSEWHERE

Wisconsin relies on the individual income tax to fund state government more than most states (Table 1, page 2). In 2013, the tax accounted for nearly a third (31.4%) of total state revenue (excluding federal aid). Of the 43 states with an income tax, collections accounted for a greater share of revenue in only 14. On average, income taxes represented 26.7% of states' revenue.

The state most reliant on the income tax is New York, where it accounts for 43.0% of revenue. Oregon (42.2%), California (41.3%), Connecticut (40.1%), and Massachusetts (39.7%) follow. Seven states do not have an income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

Also in this issue:

Table 1: Income Tax Collections By State
$ Billions, % Revenue, Per Capita, and % Pers. Inc., 2013

State	Coll.	% Rev.	Rk.	Per Capita	Rk.	% Pers. Inc.	Rk.
U.S. Total	$309.5	26.7%	na	$986	na	2.3%	na
Illinois	16.5	34.3	10	1,285	10	2.8	11
Iowa	3.4	27.4	19	1,118	17	2.5	17
Michigan	8.1	22.4	29	822	32	2.1	30
Minnesota	9.0	35.3	7	1,664	5	3.5	5
Wisconsin	7.2	31.4	15	1,262	11	3.0	7

Heavy reliance on the tax means that Wisconsin is a relatively high income-tax state. It collected $1,262 per resident in 2013, 11th highest among the states and 28% above the national average ($986). That said, per capita collections elsewhere are as high as $2,176 in Connecticut.

Comparing collections to personal income, rather than to population, reveals that the income tax also claims more of Wisconsin's personal income than in most other states: 3.0% in 2013, which was seventh highest among the states and well above the national average (2.3%).

BASICS

To understand how Wisconsin's income tax has evolved, some knowledge of its calculation is useful. On the surface, the process is relatively straightforward: Determine what is considered "taxable income" in Wisconsin, apply state tax rates to it, and then account for various credits that reduce gross tax.

The process begins with federal adjusted gross income (AGI). However, Wisconsin allows certain kinds of income, such as Social Security, to be excluded. It then allows taxpayers to further reduce income subject to tax with various deductions and exemptions.

Wisconsin's statutory tax rates (see table in gray box, page 3), which rise with income, are then applied to remaining income. There are four statutory rates: 4.00%, 5.84%, 6.27%, and 7.65%. While rates are the same for all filers, they apply to different levels of taxable income depending on filer status.

For example, the lowest rate (4.00%) applies to taxable incomes up to $11,090 for single filers or heads of households, but up to $14,790 for married joint filers, many who have dual incomes. The highest rate (7.65%) applies to incomes above $244,270 for single filers and $325,700 for married joint filers. Most filers pay more than one statutory rate. A single filer with taxable income of $40,000 pays 4.00% on the first $11,090, 5.84% on the next $11,100 ($22,190-$11,090), and 6.27% on the final $17,810 ($40,000-$22,190), for a total of $2,209 in gross taxes.

Gross taxes are then reduced by various credits to yield tax due. Refer to page three for a more detailed explanation of how income taxes are calculated.

INCOME TAX HISTORY

In 1911, two years before the income tax became a permanent fixture of the U.S. tax system, Wisconsin became the first state to tax income. Its original purpose was to tax the value of intangibles, such as stocks, bonds, and money, which had often escaped property taxation because of assessment difficulties and then exemption.

The original tax imposed 13 rates, ranging from 1% to 6%. The top rate was applied to taxable income in excess of $12,000 (about $304,000 in today's dollars). These rates were not changed until 1932 when all rates over 1.5% were increased. Since then, Wisconsin's income tax has undergone several rounds of major change.

THE WISCONSIN
TAXPAYER

March 2016 Vol. 84 Number 3
Publication Number USPS 688-800
Periodical postage paid at Madison, Wisconsin

Subscription Price:
$17.97 per year
Published each month, except July, by the Wisconsin Taxpayers Alliance,
401 North Lawn Avenue, Madison, Wisconsin 53704-5033

Postmaster:
Send address changes to *The Wisconsin Taxpayer,*
401 North Lawn Avenue, Madison, Wisconsin 53704-5033
Phone: 608.241.9789 Fax: 608.241.5807
Email: wistax@wistax.org Website: www.wistax.org

Calculating Wisconsin Income Taxes

FEDERAL AGI TO WAGI

The first step in calculating Wisconsin income taxes is to determine filer income. Starting with federal adjusted gross income (AGI), filers must navigate more than 75 additions and subtractions to determine Wisconsin adjusted gross income (WAGI).

Exclusions. Wisconsin's largest income exclusions are Social Security and capital gains—the profits on investment sales—which are partially excluded. Other items not included in income are: interest and dividends on federal debt obligations, some government pensions, some retirement income for low-income filers, various health benefits, and some unemployment and disability income.

Wisconsin also allows certain expenditures to be deducted from income. Subject to caps, tuition paid to a qualifying Wisconsin college or university or private K-12 school and contributions to college savings plans can be subtracted from AGI. Taxpayers may also deduct from income adoption expenses and certain child or dependent care expenses.

TAXABLE INCOME

Taxpayers can further reduce taxable income with various deductions and exemptions.

Standard Deduction. Wisconsin has a standard deduction that declines as income rises. For tax year 2015, single filers with WAGI up to $14,780 could deduct $10,250, guaranteeing that the first $10,250 of income is not taxed. Married couples filing jointly with WAGI up to $20,740 could deduct $18,460. The deduction is eliminated at $100,197 for single filers and $114,076 for married couples filing jointly.

Personal Exemptions. Personal exemptions of $700 for the filer, spouse, and each dependent further reduce taxable income. An additional $250 exemption is allowed for taxpayers and spouses 65 or older.

Subtracting these deductions and exemptions yields taxable income, to which state tax rates are applied (see table below).

CREDITS

A filer's gross tax is reduced by various credits, such as the school property tax/rent credit. For homeowners, the credit is 12% of the first $2,500 of property taxes paid up to a maximum of $300. For renters, the credit is a percentage of rent paid.

Two other credits are for itemized deductions and married couples. If a filer's eligible federal itemized deductions are larger than the Wisconsin standard deduction, a credit of 5% of the difference can be claimed.

Wisconsin's income tax has a "marriage penalty," where two-earner married couples pay more tax than if they filed separately. To lessen the penalty, Wisconsin provides a credit of up to $480 based upon individual earnings. Low-income workers with children can claim the earned income tax credit.

ALTERNATIVE MINIMUM

Subtracting credits yields net tax. However, some filers with large deductions or other nonstandard tax items may pay an alternative minimum tax.

Wisconsin Income Tax Rates

Single, Married Filing Jointly, and Married Filing Separately; 2015

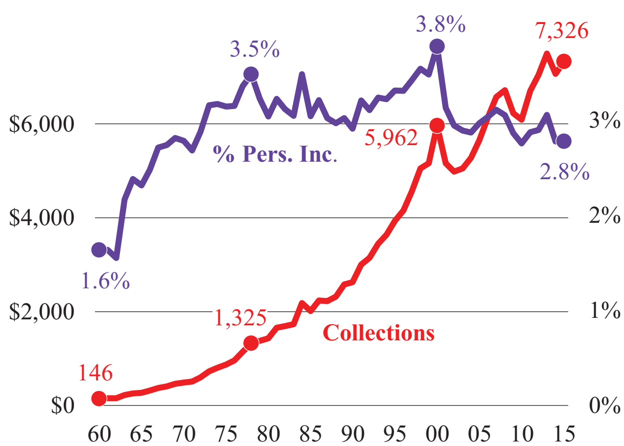
Status	Tax. Inc.	Statutory Tax Rates 4.00%	5.84%	6.27%	7.65%
Single	From	$0	$11,090	$22,190	$244,270
	To	11,090	22,190	244,270	
Married, filing jointly	From	0	14,790	29,580	325,700
	To	14,790	29,580	325,700	
Married, filing sep.	From	0	7,400	14,790	162,850
	To	7,400	14,790	162,850	

Federal AGI
+/-
Additions/ Subtractions
=
Wisconsin AGI
-
Exemptions/ Std. Ded.
=
Taxable Income
x
Tax Rates
=
Gross Tax
-
Credits
=
Net Tax
OR
Alt. Min. Tax

Long History of Changes

During the 1960s and 1970s, as baby boomers attended school and college, began buying homes and starting families, demand for public services grew. In part to pay for them, income tax rates were raised six times. Wisconsin's lowest rate rose from 1% to 3.1% and its top rate from 8.5% to 11.4%. Rate increases, along with economic growth and inflation, led to rapid growth in collections (see Figure 1): 13% annually from 1960 to 1978.

Figure 1: Collections Rise, Tax Burden Falls
Collections, $ Millions (left), % Pers. Income (rt.), 1960-2015



Collections briefly slowed in the late 1970s and early 1980s. In 1979, the state's 16 income tax brackets were reduced to eight, and taxes were cut for most filers. Beginning in 1980, income tax brackets were "indexed," or adjusted for inflation. A "double-dip" recession followed, which slowed collection growth.

From 1983 to 2001, the tax saw several rounds of change, including suspension of indexing. Without indexing, taxpayers are pushed into higher tax brackets, even if income gains only match inflation. The "value" of deductions and credits also decline.

Wisconsin adopted many changes in reaction to the federal Tax Reform Act of 1986. Repealing a number of exclusions and eliminating many itemized deductions meant that more income was subject to the tax, which allowed rates to be reduced. In 1986, the eight tax brackets were reduced to four.

Due to broadening of the income tax base and lack of indexing, collections rose an average of 7.0% per year during 1985-99. As a share of personal income, they climbed from 3.0% to 3.5%.

Significant changes to the income tax were also made during 1998-2001. The 1997-99 state budget lowered tax rates, reduced four brackets to three, created a deduction for higher education tuition expenses, and adopted federal law changes, including the creation of the Roth IRA.

The 1999-01 legislative session brought further changes. In 1999, indexing was restored. The state budget increased the sliding scale standard deduction, created personal exemptions, added a fourth tax bracket, and generally reduced income tax rates. These changes partially reversed the effects of inflation during the 1983-99 period when indexing was suspended.

Recent Changes

Wisconsin's income tax underwent another round of significant change over the past decade.

Social Security. Prior to 2008, Wisconsin taxed Social Security benefits. It followed federal law, which taxes as much as 85% of benefits, depending on income. Here, half of benefits were subject to tax. Beginning in 2008, Wisconsin no longer taxed benefits.

New Top Bracket. In the wake of the 2008-09 recession, income tax collections fell 7.3% in 2009 and another 2.1% in 2010, straining state finances. To help balance the 2009-11 state budget, the governor and lawmakers added a new top tax bracket of 7.75%, which applied to incomes above $225,000 for single filers and $300,000 for married couples filing jointly. They also taxed a greater percentage of capital gains: 70%, up from 40%. These increases, combined with a rebounding economy, led to a 10% increase in income tax collections in 2011, the largest since 2000 (15.5%).

Earned Income Tax Credit. Many low-income filers who work can claim the refundable earned income tax credit (EITC). Wisconsin's EITC is a percentage of the federal credit and historically was one of the nation's most generous. However, the 2011-13 state budget decreased the percentages used to calculate the EITC for claimants with two or more children, beginning in tax year 2011.

Manufacturing and Ag. Credit. The 2011-13 budget also created a manufacturing and agriculture tax credit that, when fully phased in, mostly eliminates state income taxes for manufacturers and farmers. The credit began in 2013 and becomes fully effective in 2016. Depending on how a business is structured, the credit can be applied to either corporate or individual income taxes. In 2014, 11,920 filers claimed the credit against individual income taxes, reducing tax liability by $105.0 million.

Rate Cuts. Of late, the legislature has focused on tax cuts. In 2013, all rates were reduced, and the five income brackets were again reduced to four. The top tax rate was trimmed from 7.75% to 7.65%, while the bottom rate dropped from 4.6% to 4.4%. In 2014, the lowest rate was further reduced to 4.0%.

These changes, combined with updated paycheck withholding, resulted in a 5.8% decline in collections in 2014. In 2015, collections increased 3.7% to $7.3 billion, although that was still below the 2013 peak of $7.5 billion.

Standard Deduction. The most recent change, made in the 2015-17 state budget, attempted to lessen the so-called marriage penalty (see page 7). For married couples filing jointly, the standard deduction was increased and its phase-out range extended.

EFFECTS OF RECENT CHANGES

How these changes have impacted taxpayers can be answered in several ways. Figure 1 (page 4) offers one perspective. Income tax collections rose 9.1% during 2008-15. However, expressed as a share of state personal income, they declined from 3.1% to 2.8%.

A second perspective is the average tax paid by filers in various income groups. This average shifts with statutory changes to rates, deductions, and credits. Here, changes are illustrated using married joint filers. Single filers display similar patterns.

Across all joint filers, the average tax rose more than 10% from $3,733 in 2008 to $4,113 in 2014. However, these averages mask cuts for most taxpayers. Table 2 shows, by income group, average income taxes paid by married couples in 2008 and 2014. Two groups saw average taxes increase: $0-to-$20,000 and $500,000 and up (see red boxes).

As a group, filers with incomes below $20,000 paid more, despite an increased standard deduction and a decline in the lowest tax rate from 4.60% to 4.00%. Part of the reason was the 2011 change to the EITC. However, a significant part of this change was that, despite less WAGI per return in 2014 than in 2008, this group had more taxable income, as claimed deductions and exemptions fell.

With a new top tax bracket of 7.65%, average taxes for filers with incomes above $500,000 rose 5.7%, from $74,107 to $78,345. Since the new top bracket affected taxable incomes above $320,350, some married couples in the $200,000-to-$500,000 range also experienced higher taxes.

On average, filers in the $20,000 to $50,000 group had the largest cut (32.1%). Filers with incomes between $50,000 and $500,000 had cuts ranging from 3.9% to 7.6%.

Effective tax rates offer a third perspective on changing tax burdens. Applying statutory rates to taxable income yields gross tax, but that is often reduced by tax credits. Subtracting credits from the gross tax yields what is owed, or net tax. The effective rate is net tax divided by WAGI.

Despite paying more in tax, the average effective rate for married joint filers fell slightly during 2008-14 from 4.6% to 4.5%, due to rising incomes. Again, the small overall decline masks larger changes for many filers.

With the exception of filers with the lowest and highest incomes, average effective tax rates generally declined. Filers with incomes between $20,000 and $50,000 experienced the largest drop (0.7 percentage points, red dashed box), from 2.0% to 1.3%. Average effective rates in other filing groups fell 0.3 points.

FILERS, INCOMES, AND TAXES

With considerable change in tax law and burden in recent years, who now pays Wisconsin's income taxes? The answer is not as simple as Wisconsin's tax rates and brackets might suggest.

Table 2: Effective Tax Rates Then vs. Now
Selected Figures for Married Filers By Income Group, 2008 vs. 2014

	$0-$20K	$20K-$50K	$50K-$100K	$100K-$200K	$200K-$500K	$500K+
			Filers			
2008	135,775	280,753	468,231	206,159	37,227	9,525
2014	138,030	255,240	421,730	253,380	53,690	13,220
			Average WAGI			
2008	$11,009	$35,243	$72,913	$129,472	$286,430	$1,286,392
2014	$9,711	$35,415	$73,746	$131,890	$285,632	$1,304,932
			Average Tax			
2008	-$139	$688	$3,167	$6,698	$16,536	$74,107
2014	-$95	$467	$2,926	$6,436	$15,797	$78,345
Diff.	31.6%	-32.1%	-7.6%	-3.9%	-4.5%	5.7%
			Effective Tax Rate			
2008	-1.3%	2.0%	4.3%	5.2%	5.8%	5.8%
2014	-1.0%	1.3%	4.0%	4.9%	5.5%	6.0%
Diff.	0.3	-0.7	-0.3	-0.3	-0.3	0.2

Who Files?

A total of 3.0 million tax returns were filed in 2014. Of these, 39.4% were joint returns from married couples, many with dual incomes. The remaining 60.6% were from individuals filing as single (43.5%), head of household (9.2%), married filing separately (0.8%), or someone claimed as a dependent on another return (7.1%).

In addition to filing status, another way to view returns is by income. The bulk of filers had WAGI under $50,000: 37.7% had incomes less than $20,000, and another 29.2% claimed incomes between $20,000 and $50,000 (see Table 3). Only 2.5% of filers had incomes above $200,000.

There is a relationship between filing status and income that is important to understand: Low-income returns tend to be from one person (single, head of household, etc.), while high-income returns are typically from married couples. This latter group comprised nearly nine of 10 returns with income above $200,000, but only 20% of returns under $50,000.

Who Earns?

Wisconsin filers reported $157.8 billion in adjusted gross income in 2014. Because tax rates rise with income, it is important to understand the nature of the state's income distribution. While filers with incomes under $50,000 represented two-thirds of returns, they accounted for just 23.0% of income. The majority (52.2%) of income was reported by middle-income filers ($50,000-to-$200,000). Finally, although those with incomes over $200,000 represented just 2.5% of filers, they claimed almost one-quarter (24.8%) of WAGI.

Who Pays?

After refundable credits, filers paid $6.6 billion in net taxes, the bulk of which came from middle- and high-income filers. More than 90% of net taxes were paid by the third of filers with incomes over $50,000.

Recap

Low-Income Filers. As noted, those with incomes under $50,000 accounted for two-thirds of returns and 23% of WAGI. They paid 9.4% of net taxes; the bulk of that percentage was paid by those with incomes between $20,000 and $50,000.

Middle-Income Filers. Filers with incomes between $50,000 and $200,000 comprised just under one-third of filers. However, they claimed a majority of both income (52.2%) and taxes (56.7%).

Upper-Income Filers. High-income filers represented a small fraction (2.5%) of taxpayers. However, they reported one-quarter of Wisconsin income and paid more than one-third of state income taxes. Those with incomes over $500,000 were 0.5% of filers, claimed 13.8% of income, and paid 19.2% of taxes.

Effective Rates

Examining average effective tax rates by income group confirms Wisconsin's progressive income tax structure: Rates are fairly low for those with low incomes but rise rapidly as income increases.

Table 3: Who Pays Wisconsin's Income Tax?
Share of Filers, WAGI, Taxes, By Income Group

	Returns		WAGI		Net Tax		Effective
Income ($)	Number	Pct.	$ Mill.	Pct.	$ Mill.	Pct.	**Rate**
<20K	1,129,380	37.7%	$7,112	4.5%	-$107.9	-1.6%	-1.5%
20K-50K	872,730	29.2	29,181	18.5	729.8	11.1	2.5
50K-70K	323,190	10.8	19,175	12.2	750.4	11.4	3.9
70K-100K	306,980	10.3	25,652	16.3	1,138.8	17.3	4.4
100K-200K	284,930	9.5	37,516	23.8	1,849.9	28.0	4.9
200K-500K	60,890	2.0	17,427	11.0	971.5	14.7	5.6
>500K	15,440	0.5	21,709	13.8	1,263.2	19.2	5.8
Subtotals							
<50K	2,002,110	66.9	36,293	23.0	621.9	9.4	1.7
50K-200K	915,100	30.6	82,343	52.2	3,739.1	56.7	4.5
>200K	76,330	2.5	39,136	24.8	2,234.6	33.9	5.7
Total	2,993,520	100.0	157,772	100.0	6,595.6	100.0	4.2

Filers with WAGI less than $50,000 paid, on average, an effective rate of 1.7%. For filers with income under $20,000, the average rate is negative (-1.5%) due to refundable income tax credits, such as the earned income tax credit, and filers reporting income losses.

Average rates paid climbed as the standard deduction and certain credits are phased out at higher income levels. Single filers with WAGI between $20,000 and $40,000 paid an average effective rate of 2.8%, but that jumped to 4.3% between $40,000 and $60,000 and to 4.9% between $60,000 and $80,000 (see Figure 2). Effective rates for married couples showed similar patterns.

Average effective rates top 5% for single filers with incomes above $80,000 and for married couples above $200,000. In 2014, effective rates for single filers with incomes over $500,000 were 5.0%, due largely to credits for taxes paid to other states and relatively large manufacturing credits.

ISSUES

Complexity

The process for calculating state income tax has become increasingly complex in recent years, as the panel on page three attests.

The differences between federal and state income for tax purposes here multiplied. In 2001, the state listed 41 possible additions or subtractions to federal AGI to calculate WAGI. By 2015, that figure had grown to more than 75. The number of credits available to income tax filers has grown even faster, from 10 in 2001 to more than 40 in 2015. In the last four years alone, the number of pages of instruction for the state's long form, Form 1, has grown from 33 in 2011 to 58 in 2015.

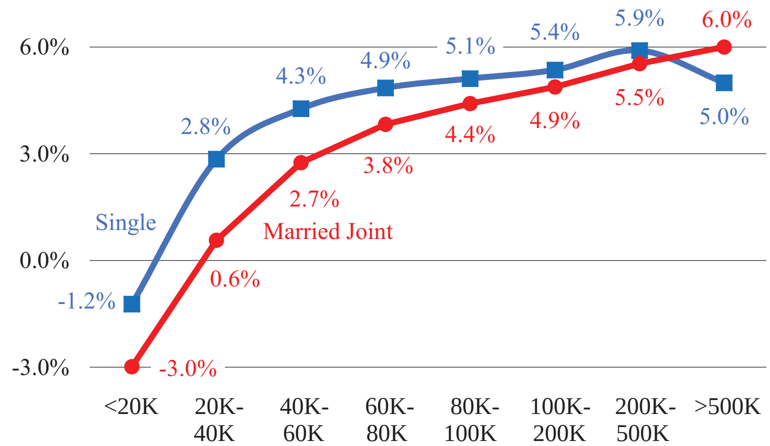
Equity

Tax policy experts often refer to "horizontal equity," the notion that individuals with similar incomes should pay similar taxes. Wisconsin's income tax is somewhat deficient in this regard.

Married vs. Single. First, consider a young, engaged couple each with $40,000 of WAGI. After accounting for the standard deduction and personal exemptions, the two would each pay $1,615 in tax.

However, if John and Sue marry and file jointly, they would pay $3,481 in taxes on their $80,000 income. Nothing changed in their lives other than marital status, yet they paid nearly 8% more in income taxes: Unmarried, they paid a combined $3,230; after marriage, they paid $3,481.

Figure 2: Avg. Effective Tax Rates By Income Group and Marital Status
Net Tax as Pct. of WAGI, 2014



Working vs. Retired. There is a more pronounced difference in tax burdens between working taxpayers and retirees. John's parents, Bob and Jane, are both 68-year old retirees receiving a combined $40,000 annually in Social Security. They supplement that with $30,000 in pensions and retirement savings, and part-time earnings of $5,000 each. Their total income is $80,000, the same as John and Sue's. However, because Social Security is not taxed, the WAGI Bob and Jane report is just $40,000. Their age and lower WAGI qualifies them for higher personal exemptions and a higher standard deduction. Thus, the retired couple pays $805 in state income tax, or about one-quarter of what John and Sue pay.

Economic Impact

Beyond complexity and fairness, another attribute of an ideal tax often suggested is economic neutrality. That is, it should not encourage or discourage taxpayers' behavior. Since people, income, and wealth are all mobile, states need to be mindful that an unbalanced revenue system where one tax is too high or too low can impact business decisions and family location. An ongoing discussion in Wisconsin is whether the state's tax structure needs to be updated and rebalanced to minimize the adverse economic consequences that taxes can cause. ☐

DATA SOURCES:

Wisconsin Department of Revenue; Wisconsin Legislative Fiscal Bureau; U.S. Census Bureau.

wistax
Wisconsin Taxpayers Alliance
401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • www.wistax.org

PERIODICALS
USPS 688-800

WISTAX NOTES

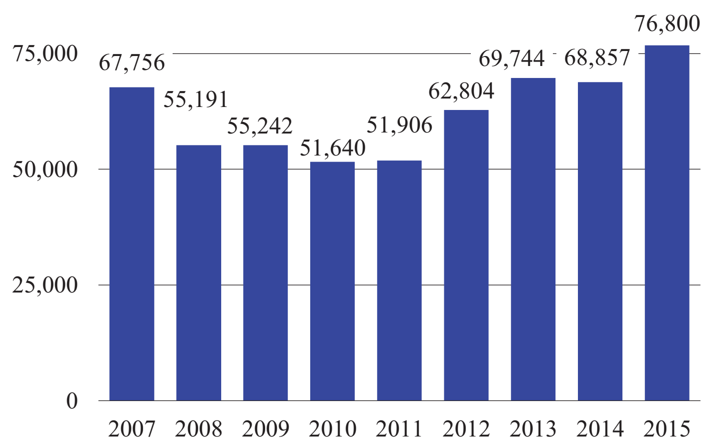
■ **Highest Income Tax Rates by State.** Of the 41 states with a general income tax, eight apply a single rate to all taxable income. The remaining 33 use graduated rates, with the number of brackets varying widely by state. Kansas, for example, has a two-bracket tax, while two other states—California and Missouri—have 10 tax brackets.

Top marginal rates, those applied to the highest amounts of income, also vary widely, ranging from 3.07% in Pennsylvania to 13.3% in California. Wisconsin's top rate (7.65%) ranks 7th highest nationally. Until this year, Maine taxed its highest incomes at 7.95%. However, the top marginal rate there was lowered to 7.15% for 2016. Of surrounding states, both Minnesota (9.85%) and Iowa (8.98%) have higher top marginal rates than Wisconsin, while Michigan (4.25%) and Illinois (3.75%) have lower rates.

■ **Solar Power Growing.** The U.S. installed a record 7.3 gigawatts of solar capacity in 2015, 17% more than in 2014 and 8.6 times the capacity installed in 2010. For the first time, solar exceeded addition of natural gas capacity, supplying 29.5% of all new electric generating capacity in the U.S., according to the Solar Energy Industries Association.

California, North Carolina, Nevada, Massachusetts, and New York ranked highest in new solar installations. Other states moved up significantly in the rankings. Utah jumped from 23rd to 7th, and Georgia moved from 16th to 8th. Wisconsin's solar market, though small, grew 39%, pushing the state up one notch to 33rd. In 2013, Wisconsin ranked 30th.

Wisconsin Home Sales Rebound
Homes Sold Annually, Wisconsin, 2007-15



■ **Home Sales Rebound in 2015.** The number of homes sold in Wisconsin increased 11.5% in 2015 from 68,857 to 76,800, the largest increase since before the collapse of the housing market. Annual sales fell significantly (23.8%) from 67,756 in 2007 to 51,640 in 2010. They then increased in 2012 and 2013, before declining slightly (-1.3%) in 2014, according to the WRA. □

In FOCUS . . . recently in our biweekly newsletter

- The state of the state and its economy: Multiple perspectives (#2-16)
- On the Sockeye surge, pander bears, and the federal income tax (#3-16)