

## *Shared Revenue*

*Compiled by Arden Rice, March 2003*

<http://www.legis.state.wi.us/lrb/pubs/tapthepower.htm>

**\*Analysis of Shared Revenue and Property Tax Relief Programs.** Wisconsin Dept. of Revenue, Division of Research and Analysis, 1980. (336.11/W7b1/1980) Written upon request of the governor, this report examines some of the inequities created by these two tax programs and makes recommendations.

**An Analysis of the State of Wisconsin's Shared Revenue Program.** Robert M. La Follette Institute of Public Affairs, University of Wisconsin-Madison, 1993. (336.11/W7g) This study demonstrates how disparities in the needs and costs of services among municipalities impede the fiscal equalization goals of the shared revenue program. The authors propose adding a municipal cost index to the aidable revenue formula.

**\*Analysis of Wisconsin's Municipal Tax Base Equalizing Aid Formula.** Wisconsin Dept. of Revenue, Division of Research and Analysis. *A Survey of Wisconsin Municipal Leaders Concerning Perception of Wisconsin's Tax Neutrality Legislation in Relation to Motivating Various Types of Economic Development.* University of Wisconsin-Milwaukee, Management Research Center, 1984. (Gov/SDC/r/v.2/pt.15) (noncirculating) These studies were conducted to investigate the claim that the aidable revenues formula diminishes the incentive for municipalities to expand their tax base.

**Expenditure Restraint Payment.** Wisconsin Dept. of Revenue, Division of Research and Policy, 2002. (352.2/W7e1) The expenditure restraint payment is a supplement to the shared revenue program awarded to municipalities that limit growth in spending. This brief includes a table that lists the municipalities receiving the largest payments in 2002 and 2003. Another table displays the number of municipalities eligible and quantity of payments distributed since 1992. [www.dor.state.wi.us/report/a.html#aids](http://www.dor.state.wi.us/report/a.html#aids)

**Final Report and Recommendations.** Wisconsin Task Force on State and Local Government, 2003. (336.11/W7d2) Much of this report, also known as the Sheehy report, addresses the shared revenue program. The report recommends adjusting the formula to "support basic service equity," using shared revenues to reward local government collaboration and making shared revenue a fixed percentage of the state budget with biennial adjustments. [www.lafollette.wisc.edu/reform/library/past\\_wi\\_commissions.htm](http://www.lafollette.wisc.edu/reform/library/past_wi_commissions.htm)

**Final Report.** Wisconsin Commission on State-Local Relations and Financing Policy, 1977. (352/W7e3) Commonly known as the Wallace Commission, this report firmly endorsed the equalization goals of the shared revenue program and recommended further study of alternative formulas to provide greater equalization and property tax relief. Working papers no. 3, 6, 29, 31, and 37 relate to shared revenues and are available under (352/W7i3). [www.lafollette.wisc.edu/reform/library/past\\_wi\\_commissions.htm](http://www.lafollette.wisc.edu/reform/library/past_wi_commissions.htm)

**A Legislative History of Shared Revenue in Wisconsin.** Wisconsin Legislative Reference Bureau, 1985. (Research Bulletin 85-RB-1) (336.11/W7L) A detailed background paper on the evolution of shared revenue starting from the creation of the state income tax in 1911. The Bulletin also contains excerpts from relevant study commissions and task forces over the years.

**Minnesota's Fiscal Disparities Programs: Twin Cities Metropolitan Area and Iron Range.** Minnesota House of Representatives, House Research Dept., 2000. (336.11/M6c1) This is an overview of Minnesota's unique tax-base sharing program. The state collects a portion of each local government's commercial/industrial tax base and redistributes it based on each community's relative fiscal capacity. [www.house.leg.state.mn.us/hrd/pubs/fiscaldis.pdf](http://www.house.leg.state.mn.us/hrd/pubs/fiscaldis.pdf)

**Municipal and County Finance.** Wisconsin Legislative Fiscal Bureau, 2003. (Informational Paper no. 16) (352.2/W7/2003) This general overview offers some perspective on the role of shared revenues in the overall finances of local governments. [www.legis.state.wi.us/lfb/informationalpapers/16.pdf](http://www.legis.state.wi.us/lfb/informationalpapers/16.pdf)

**\*[Papers Prepared for the Joint Finance Subcommittee Study of Municipal Aid Programs].** Wisconsin Legislative Fiscal Bureau, 1980. (LFB/p) (noncirculating) Several of the nearly two dozen papers in this collection discuss the shared revenue formula. These papers offer an objective, in-depth examination of the impact of each of the components of the shared revenue formula on municipalities of varying size, needs, and wealth.

**Report of the Shared Revenue Task Force.** Wisconsin Dept. of Revenue, 1992. (336.11/W7b7) This report recommends changes to the aidable revenues portion of the shared revenue formula, the funding levels and payment schedule for shared revenues, and the definition of local purpose revenues. The report also identifies local finance issues needing further investigation. →

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## *Shared Revenue* Continued

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***Report of the Shared Revenue Task Force to the Wisconsin Legislature.* Wisconsin Dept. of Revenue, 1999. (336.11/W7m1)**

This more recent Task Force makes recommendations about the funding levels and priorities for the shared revenue program, and also recommends changes to the expenditure restraint program and the small municipalities shared revenue program.

***Report. Task Force on Local Government Finance and Organization in Wisconsin, 1969.* (352/W7c)** Commonly known as the Tarr Task Force, recommendations from this report led to legislation passed in 1971 that dramatically changed the distribution formula for shared revenues from a formula based on revenue origins to one based on community needs.

***Shared Revenue Program.* Wisconsin Legislative Fiscal Bureau, 2003. (Informational Paper no. 18) (336.11/W7h/2003)** This paper is an excellent starting point for understanding how the shared revenue program operates. It provides a concise overview of the shared revenue formula and how each of the four components of the formula is calculated, including sample calculations. [www.legis.state.wi.us/lfb/informationalpapers/18.pdf](http://www.legis.state.wi.us/lfb/informationalpapers/18.pdf)

***Small Municipalities Shared Revenues.* Wisconsin Dept. of Revenue, Division of Research and Policy, 2002. (336.11/W7b4)** The small municipality shared revenue (SMSR) program supplements shared revenues for eligible municipalities with populations less than 5,000. Tables list the 15 municipalities with the largest total and per capita SMSR payments. Another table displays the number of municipalities eligible and quantity of payments distributed since 1994.

[www.dor.state.wi.us/report/a.html#aids](http://www.dor.state.wi.us/report/a.html#aids)

***State Shared Revenues.* Wisconsin Dept. of Revenue, Division of Research and Policy, 2002. (336.11/W7b3)** This brief describes how the shared revenue formula is calculated, the projected payments for 2003-2005, and explains how the "consolidation incentive payment" will be distributed. It also includes a table listing shared revenues distributed from 1994 to 2003 (projected), broken down by components and per capita average for each type of locality. [www.dor.state.wi.us/report/a.html#aids](http://www.dor.state.wi.us/report/a.html#aids)

***State Shared Revenues.* University of Wisconsin-Extension, Local Government Center, 1999. (Fact Sheet no. 10) (336.11/W7a)** A brief description of the shared revenue program and how shared revenues affect local government finances. [www.uwex.edu/lgc/program/pdf/fact10.pdf](http://www.uwex.edu/lgc/program/pdf/fact10.pdf)

***State Taxes and Aids by Municipality and County for Calendar Year (1996-2000).* Wisconsin Dept. of Revenue, Division of Research and Policy, 1997-2001. (336.21/W7d8/2000)** This publication lists state aids and state taxes for every municipality in the state, in particular shared revenue distributions.

***Targeted Municipal Aid Programs: Expenditure Restraint and Small Municipalities Shared Revenue.* Wisconsin Legislative Fiscal Bureau, 2003. (Informational Paper no. 19) (336.11/W7h3/2003)** Succinctly describes the eligibility criteria and distribution formulas for these two targeted aid programs to municipalities.

[www.legis.state.wi.us/lfb/informationalpapers/19.pdf](http://www.legis.state.wi.us/lfb/informationalpapers/19.pdf)

***\*Treatment of Counties Under State Shared Revenues.* Wisconsin Dept. of Revenue, Division of Research and Analysis, 1980. (Rev/Res/t) (noncirculating)** This study compares municipal and county tax bases and considers the impact of changing the aidable revenues formula for counties.

***Wisconsin's Local Government Finance: A Policy Primer.* Robert M. La Follette School of Public Affairs, University of Wisconsin-Madison, 2002. (352.2/W7g1)** Outlines the differences in spending and revenues among municipalities of varying size and property tax base to demonstrate the impact of shared revenue on different localities. [www.lafollette.wisc.edu/Research/Publications/Publications.html#budget](http://www.lafollette.wisc.edu/Research/Publications/Publications.html#budget)

***Wisconsin Blue-Ribbon Commission on State-Local Partnerships for the 21st Century: Report, 2001.* (354/W7)** Also known as the Kettl Commission report, this report defines a set of basic services, "Badger Basics," that all communities should be able to provide their citizens. The report recommends creating a new equalization formula to provide these "Badger Basics," and rewarding communities that consolidate services. [www.lafollette.wisc.edu/reform](http://www.lafollette.wisc.edu/reform)

**Clippings:** (Noncirculating; available for use in the library; clippings prior to 1981 are on microfiche)

- State aid – Wisconsin: 336.11 W7z

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\*These publications are included for purposes of historical policy analysis. Calculations included in them are based on obsolete versions of the shared revenue formula.