



## Legislative Fiscal Bureau

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February 3, 2020

TO: Representative Gordon Hintz  
Room 201 West, State Capitol

FROM: John Gentry, Fiscal Analyst

SUBJECT: Estimated Tax Year 2020 Individual Income Tax Distributional Table for  
Manufacturing and Agriculture Tax Credit Claimants

At your request, I am providing information regarding estimated manufacturing and agriculture tax credit (MAC) claimants in tax year 2020. The attachment contains tax year 2020 estimates by Wisconsin adjusted gross income (AGI) group for: (a) the number of individual income tax filers expected to claim the MAC; (b) the portion of the MAC estimated to be claimed and used by tax filers in each income group; (c) the average amount of estimated MAC claimed and used by those filers; and (d) the share of those filers compared to all persons expected to file under the individual income tax. The estimates were provided by the Department of Revenue (DOR), based on income tax returns filed for tax year 2018.

As shown in the attachment, it is estimated that 20 individual income tax filers would have incomes exceeding \$30.0 million in tax year 2020. You requested additional information regarding these filers, which are estimated to claim and use a total of \$50.4 million of MAC. DOR estimates that such filers would collectively have Wisconsin AGI of \$2,472.1 million and have a combined net tax of \$72.8 million (net tax adjusts for all nonrefundable tax credits claimed and used, but does not adjust for any refundable tax credits claimed and used). Further, it is estimated that these filers would claim approximately \$60.2 million in credits for taxes paid to other states.

For the 20 individual income tax filers in the highest AGI group described above, DOR estimates that those filers employed approximately 25,500 workers, had collective payrolls of \$1,057 million, and withheld state income taxes for those workers in the amount of \$46.9 million in 2018. This estimate reflects all employees (not only those involved in manufacturing or agricultural activities) reported by business entities that generated any MAC, prorated by share of ownership for these filers.

I hope this information is helpful, please contact me with any further questions.

JG/lb  
Attachment

## ATTACHMENT

### Estimated Distribution of MAC Claimants Under the Individual Income Tax for Tax Year 2020

<u>Wisconsin Adjusted Gross Income</u>	<u>Count</u>	<u>Percent</u>	<u>Total MAC</u>	<u>Percent</u>	<u>Average MAC</u>	<u>Share of All Filers</u>
Under \$5,000	185	1.8%	-\$22,927	0.0%	-\$124	0.006%
5,000 to 10,000	113	1.1	-37,934	0.0	-336	0.004
10,000 to 15,000	109	1.1	-42,708	0.0	-392	0.003
15,000 to 20,000	153	1.5	-68,050	0.0	-445	0.005
20,000 to 25,000	113	1.1	-56,041	0.0	-496	0.004
25,000 to 30,000	171	1.7	-76,789	0.0	-449	0.005
30,000 to 40,000	480	4.7	-269,833	0.1	-562	0.015
40,000 to 50,000	516	5.1	-387,744	0.1	-751	0.016
50,000 to 60,000	498	4.9	-599,667	0.2	-1,204	0.016
60,000 to 70,000	469	4.6	-677,667	0.2	-1,445	0.015
70,000 to 80,000	425	4.2	-685,881	0.2	-1,614	0.014
80,000 to 90,000	364	3.6	-700,008	0.2	-1,923	0.012
90,000 to 100,000	305	3.0	-649,385	0.2	-2,129	0.010
100,000 to 125,000	697	6.9	-1,848,032	0.6	-2,651	0.022
125,000 to 150,000	480	4.7	-1,461,969	0.5	-3,046	0.015
150,000 to 200,000	775	7.6	-2,862,643	1.0	-3,694	0.025
200,000 to 250,000	536	5.3	-2,777,854	1.0	-5,183	0.017
250,000 to 300,000	389	3.8	-2,561,226	0.9	-6,584	0.012
300,000 to 500,000	935	9.2	-10,314,110	3.6	-11,031	0.030
500,000 to 1,000,000	999	9.9	-23,374,647	8.2	-23,398	0.032
1,000,000 to 2,000,000	686	6.8	-35,626,268	12.4	-51,933	0.022
2,000,000 to 3,000,000	260	2.6	-25,178,975	8.8	-96,842	0.008
3,000,000 to 4,000,000	129	1.3	-19,182,462	6.7	-148,701	0.004
4,000,000 to 5,000,000	87	0.9	-15,612,157	5.5	-179,450	0.003
5,000,000 to 10,000,000	153	1.5	-41,921,885	14.6	-273,999	0.005
10,000,000 to 15,000,000	38	0.4	-17,585,564	6.1	-462,778	0.001
15,000,000 to 30,000,000	49	0.5	-31,318,376	10.9	-639,151	0.002
30,000,000 and over	20	0.2	-50,441,412	17.6	-2,522,071	0.001
<b>Total</b>	<b>10,134</b>	<b>100.0%</b>	<b>-\$286,342,214</b>	<b>100.0%</b>	<b>-\$28,256</b>	<b>0.323%</b>

Based on a simulation by the Department of Revenue.