



STATE OF WISCONSIN

Notice of **Material Information** #2003-15
Dated March 14, 2003

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Issuer: State of Wisconsin

CUSIP Numbers: 977053, 977055 and 977056 Prefix (All)
977087 Prefix (All) 977092 Prefix (All)
977109 Prefix (All) 977123 Prefix (All)

Type of Information: Other Secondary Market Information

*Department of Revenue
Quarterly Wisconsin Economic Outlook
March 7, 2003*

This is the regularly scheduled quarterly Wisconsin Economic Outlook that is released by the State of Wisconsin Department of Revenue.

Fiscal Periods Covered: July 1, 2002 through June 30, 2003

Type of Filing: Filed in both electronic and paper form with each Nationally Recognized Municipal Securities Information Repository. This Notice is also available on the world wide web at:

www.doa.state.wi.us/capitalfinance/index.asp

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March 7, 2003 - Economy continues slow recovery

The economy remains in "slow-recovery mode" as continuing uncertainty over a possible war in the Middle East delays any significant growth until next fiscal year, Secretary of Revenue Michael L. Morgan announced today.

In its latest quarterly Wisconsin Economic Outlook, the Wisconsin Department of Revenue reported the U.S. and Wisconsin economies continue to stage a steady, but slow recovery that is expected to speed up once the situation with Iraq is resolved. Right now, apprehensive consumers and businesses are curbing their spending, although they appear poised to resume increased activity.

"Our forecast of an acceleration in the economy in the next fiscal year is in line with an analysis done by the Legislative Fiscal Bureau," said Secretary Morgan. "As for this year, tax collections in Wisconsin are keeping pace with the projections issued recently by the LFB even though the recovery continues to move slowly."

The state's general purpose tax revenues increased by 1.5% through the first seven months of the current fiscal year that ends June 30 (FY 2003). Personal income is expected to grow 3.3% this year and is projected to improve next year with incomes rising by 5%. Total employment in Wisconsin is expected to grow by just 0.2% this year, but 2.3% growth is estimated for 2004.

Growth in the U.S. economy is projected at 3% this year and is expected to improve to 4.6% next year if a conflict with Iraq comes sooner rather than later and if that conflict proves short and successful. Increases in military spending and possible federal tax cuts are expected to give the economy a boost. Although most analysts expect oil prices may rise as high as \$45 a barrel in the event of war, they believe prices will quickly fall back to around \$27 a barrel once the conflict is ended and thus will not have a lingering, negative impact on the economy.

Access the complete [Wisconsin Economic Outlook](#)

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Last updated March 7, 2003

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WISCONSIN ECONOMIC OUTLOOK

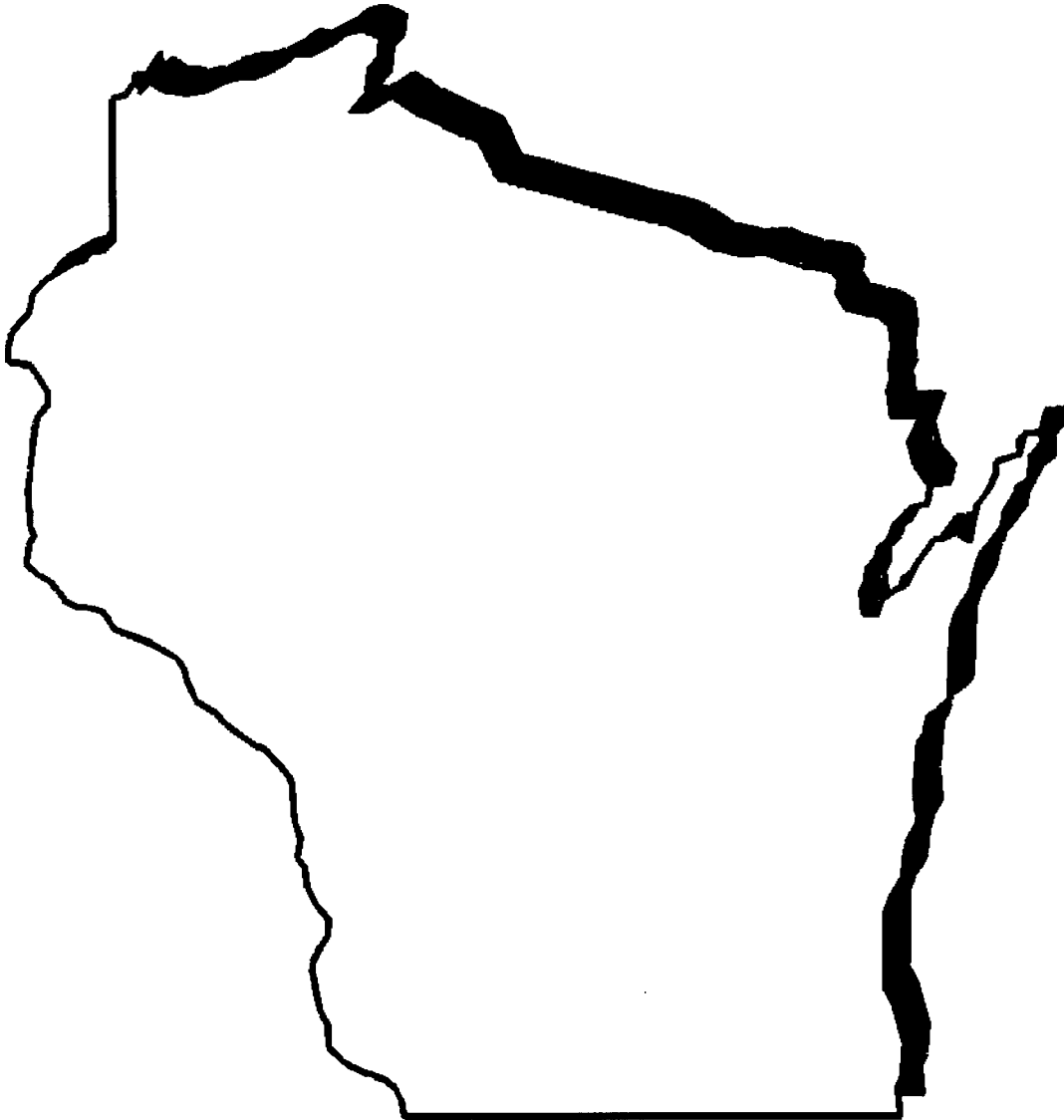


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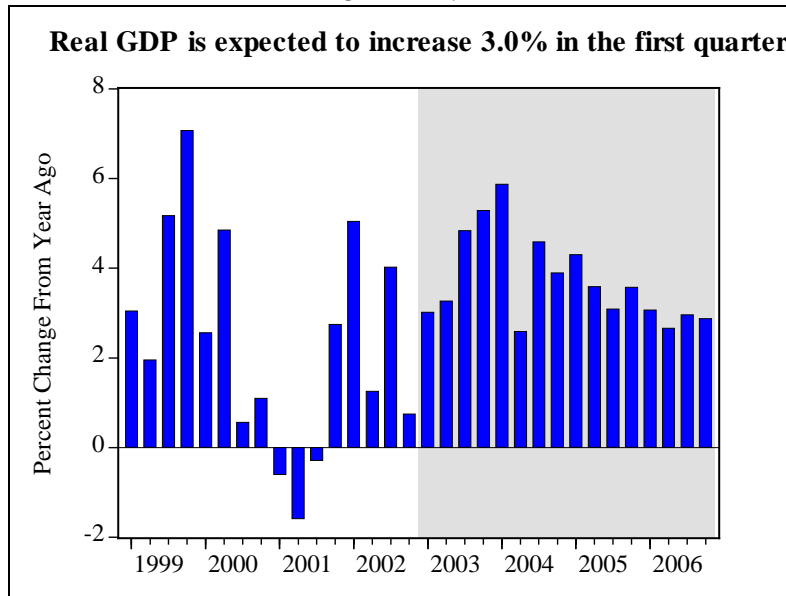
This is a regularly scheduled quarterly economic outlook released by the Wisconsin Department of Revenue. The Division of Research and Policy, Wisconsin Department of Revenue prepared the Wisconsin forecast. The national forecast was prepared by Global Insight on February 10, 2003. The forecast does not incorporate data released subsequent to that date.

I. ECONOMIC OUTLOOK

U. S. OUTLOOK

The economy is staging a slow recovery that will gather steam as the year progresses. After suffering through a two-and-one-half-year bout of below-capacity growth (sometimes called a growth recession), real GDP should post growth of 3.0% this year, followed by 4.6% in 2004. This encouraging outlook assumes that the United States wages a short and successful war to unseat Saddam Hussein beginning in late February or early March. Also, tax cuts and increased military spending to replenish the equipment and supplies used up in the war will give the economy an extra boost during the second half of 2003 and early 2004. After increasing by 0.7% in the fourth quarter of 2002, real GDP is expected to increase 3.0% in the first quarter and 3.3% in the second quarter of 2003 (see [Chart I.1](#)).

CHART I.1



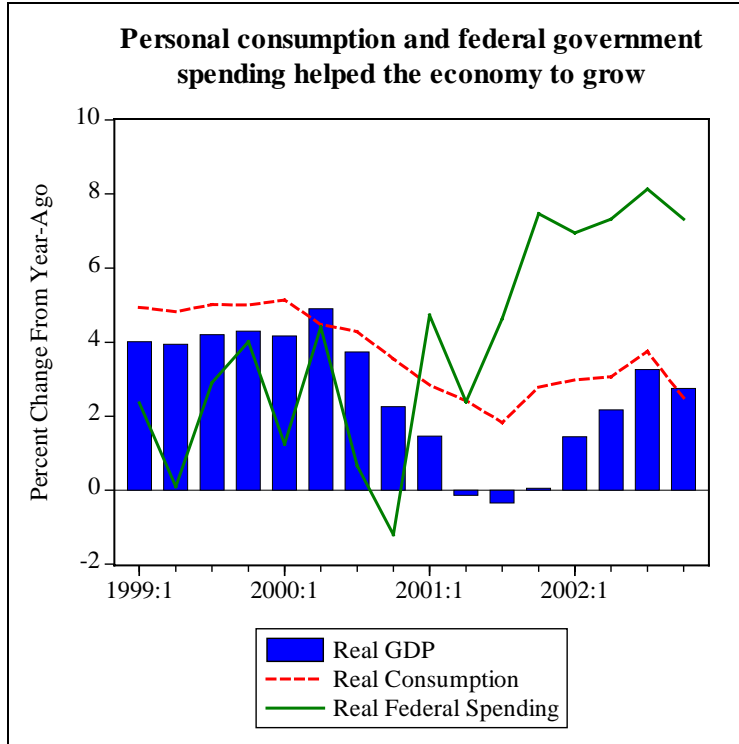
In the near term, however, the unemployment rate will continue to rise as labor-force growth outstrips new hiring and as productivity gains slow the need for new workers. Inflation should accelerate slightly, to 2.0% this year and next, after coming in at 1.6% in 2002. Because inflation is expected to remain tame, the first Federal Reserve move to tighten interest rates is not expected until the August FOMC (Federal Open Market Committee) meeting. Bond yields will anticipate the tightening, and the stock market will begin a modest recovery.

The dollar is expected to continue to fall modestly, but the current account deficit will widen as the U.S. grows faster than its trading partners. Corporate profits, which have been essentially flat for four years, should improve this year, but will not exceed their prior peak until 2004. Wage and salary gains will likely slow dramatically this year as employers try to control labor costs in the face of rapidly rising health insurance costs.

Recent Evidence

Real GDP growth during the final quarter of 2002 was as weak as expected, with the growth rate coming in at a mere 0.7%. The major components of GDP in the fourth quarter contained no surprises. There were increases in consumer and government spending as shown in [Chart I.2](#), a modest rise in business spending on equipment and software, and a strong gain in residential construction. The drag came from a slowdown in inventory building, plus further declines in nonresidential construction and net trade. Imports fell, but exports fell proportionately more. The trade numbers were distorted by the West Coast dock strike, however, and should not be interpreted as typical.

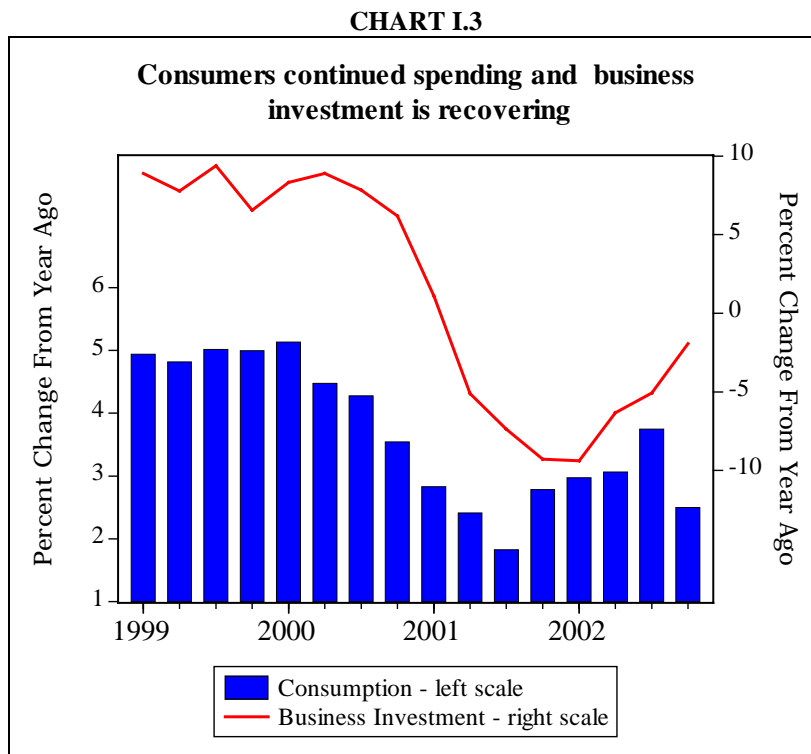
CHART I.2



A long lasting productivity boom came to an end in the fourth quarter of 2002. Output per hour declined at a 0.2% rate in the nonfarm business sector, as total hours increased more than output. For the year as a whole, however, the improvement in productivity was the best in over 50 years. The 4.2% jump in productivity held unit labor costs to a mere 0.3% increases.

Employers are becoming more tight-fisted as they wrestle with sluggish demand growth and strong competition. Payroll employment declined 0.1% in the fourth quarter, declining 0.9% for the year. The employment cost index showed an increase of only 0.4% in private-sector wages and salaries in the fourth quarter, the same as in the third. For the year, the wage and salary index increased only 2.7%; although soaring benefit costs boosted the increase in total compensation to 3.3%. The pressure on wages also shows in average hourly earnings, which posted a 12-month increase of only 2.7% in January, the least since 1995.

Consumers continued their spending habits at the end of last year. Excluding sales of new light vehicles, consumer spending increased at a 2.5% annual rate in the fourth quarter, the same as in the third. Total consumer spending increased only 1.0% in the fourth quarter because of the sharp slowdown in vehicle sales. On a year-to-year basis, personal consumption increased 3.7% in the third quarter of 2002 before declining by 2.5% in the last quarter, as shown in [Chart I.3](#).



Business spending on equipment is on the recovery track. Nonresidential fixed investment increased 1.5% in the fourth quarter, after declining 0.8% in the third. On a year-to-year basis, nonresidential fixed investment declined by 1.9% in the fourth quarter of 2002. Investment in information processing equipment continued to grow increasing by 3.9% in the fourth quarter. New computer systems are beginning to show up in offices, software spending is recovering, and auto fleet sales have improved. The weakest segment remains aircraft production. Spending on aircraft and parts has rebounded from its trough, but is still extremely depressed. It will likely be the last to see a real recovery, since the airline industry itself is in crisis and U.S. aircraft manufacturers are facing vigorous overseas competition.

Residential construction ended the year in overdrive. Low mortgage rates have kept buyers in the housing market, despite concerns over jobs and income, and are allowing prices to keep rising. Existing house sales grew by a 29.6% annual rate in the fourth quarter to 5.73 million units. Once mortgage rates turn up, sales will slow down. The home improvement business could accelerate, however, as owners decide it is better to remodel or add on than relocate.

The Federal Reserve took no action at the January 28-29 FOMC meeting. Long-term rates are being held down by wariness of the stock market and the usual worries over geopolitical tensions that cause investors to seek the safety and liquidity of Treasury securities. Once these worries dissipate, concern over the federal deficit and renewed interest in the stock market will start pushing long-term rates higher.

KEY FORECAST ASSUMPTIONS

Congress will enact a package of tax cuts and rebates worth about \$80 billion for calendar 2003.

Oil prices will peak in the first quarter at close to \$38 per barrel (West Texas intermediate crude oil, quarterly average). The quarterly average reflects a prolonged disruption of supplies from Venezuela and a temporary spike to \$45 per barrel during the early stages of the attack on Iraq. The price falls to \$27 in the second quarter as additional supplies come on line and Venezuelan operations return to normal, then bounces back up slightly as the recovering economy boosts energy demand.

Inflated by the war, real federal purchases are assumed to rise 10% in calendar 2003, 2% in 2004, and then stabilize as the war costs recede into the past.

The dollar is assumed to fall as long as uncertainty over Iraq continues, then rebound slightly this summer before resuming its moderate downward trend.

FORECAST DETAIL

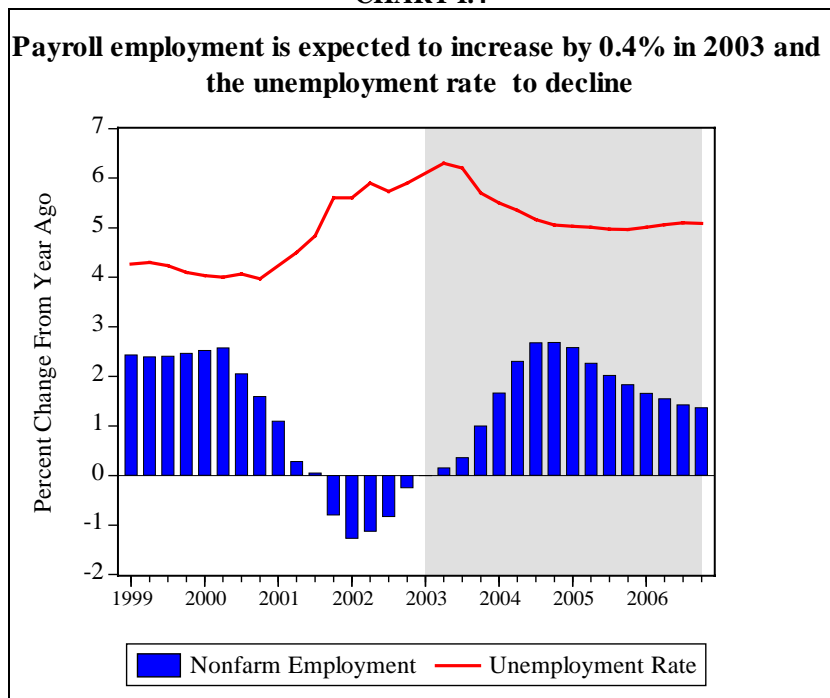
Income, Spending and Employment

Personal income increased by 3.0% in 2002. It is expected to increase by 4.7% in 2003 and by 6.0% in 2004.

Strong consumer spending is likely to continue. Excluding sales of new light vehicles, consumer spending will increase at about a 2.5% annual rate in the first half of 2003. This rate jumps to 4.5% at year-end, when tax cuts and rebates begin to flow, and could accelerate further in early 2004. Personal consumption is expected to increase by 2.5% for all of 2003, and by 4.6% in 2004.

After declining 0.1% in the last quarter of 2002, payroll employment is expected to decline an additional 0.2% in the first quarter of 2003, before it increases by 0.5% in the second quarter as shown in [Chart I.4](#). For the year as a whole, payroll employment is expected to increase by 0.4% in 2003, following a decline of 0.9% in 2002. The labor market is expected to further recover in 2004, as employment increases by 2.3%. The unemployment rate is expected to reach its maximum level of 6.3% in the second quarter of 2003, then decline to an average 5.3% in 2004 and 5.0% in 2005.

CHART I.4



Housing

Residential investment is heading into 2003 on an exceptionally strong note. Builders are rushing to get projects to the selling stage before mortgage rates rise. Housing starts are expected to slip from their fourth-quarter pace of 1.747 million to 1.677 million in 2003 and 1.642 million 2004. Residential construction will become a drag on GDP growth over the course of the year despite a high level of activity.

Some of the strength in single-family housing, however, will be offset by a slowdown in the multi-family sector because rental vacancy rates are rising rapidly.

Business Investment

Business spending on equipment is on the recovery track. Total nonresidential fixed investment is expected to increase by 3.6% in 2003, after a decline of 5.8% in 2002. Overall, the current forecast calls for real spending on producers' durable equipment to jump nearly 6% in 2003 and 12% in 2004. The growth in equipment spending will be more than enough to offset the slump in nonresidential construction. Business spending on structures is expected to drop by 3.6% this year after falling by 16.4% in 2002.

Government Spending

Behind the forecast is the assumption that Congress will enact a package of tax cuts worth about \$80 billion on an accrual basis in 2003. On a cash basis, much of the benefit will be felt in early 2004. There will likely be another round of rebate checks, but only a small portion will be spent immediately.

Although state and local governments were still increasing purchases at the end of 2002, some serious trimming in the remainder of 2003 is probable. With fewer than six months left in most states' fiscal years and budgets running in the red, painful cuts can no longer be avoided. The easy cuts have been made and rainy-day funds have been depleted. Layoffs are occurring, consultants are being cut loose, and fees are being raised. Tax increases will be next, but probably not before 2004.

The forecast also maintains the assumption that the United States will launch a successful effort to unseat Saddam Hussein at a cost of about \$70 billion spread over the quarter just ended and most of 2003. The start date for the attack, however, has been pushed from late January to late February or early March.

International Trade and the Dollar

The strong dollar and the poor global economy are hurting American exports. Although the dollar has fallen from its peak, it has not dropped far enough to significantly assist U.S. exporters. In addition, the delay of the European Central Bank in cutting interest rates and the failure of European governments to pursue more stimulative fiscal policies, as well as Japan’s reluctance to modernize its financial sector, all restrict the global market for U.S. goods and services.

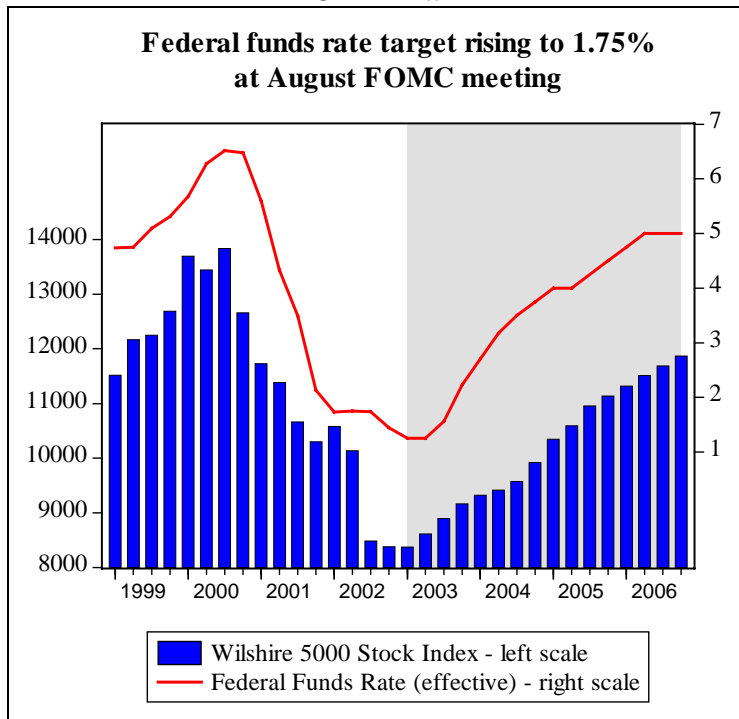
Exports are expected to advance by 4.4% in 2003, followed by 9.1% growth in each of the next two years. Imports will grow faster than exports in 2003, adding to the current account deficit.

The deficit on the current account balance of payments is expected to deteriorate further to -\$547.0 billion in 2003, from -\$500.5 billion in 2002. Despite a continuing decline in the value of the dollar, the current account deficit is projected to widen to -\$614.8 in 2004 and -\$653.3 in 2005.

Financial and Equity Markets

No action is expected from the Federal Reserve until the August FOMC meeting, when it is assumed that the FOMC will increase the federal funds rate to 1.75% (see [Chart I.5](#)). Long-term interest rates are expected to stay low so long as the shadow of war overhangs the markets. Once the conflict is over, stock prices will begin to rise and bond prices will start to fall. By year-end, long-term rates are expected to be up by at least 100 basis points and the federal funds rate to be at 2.50%.

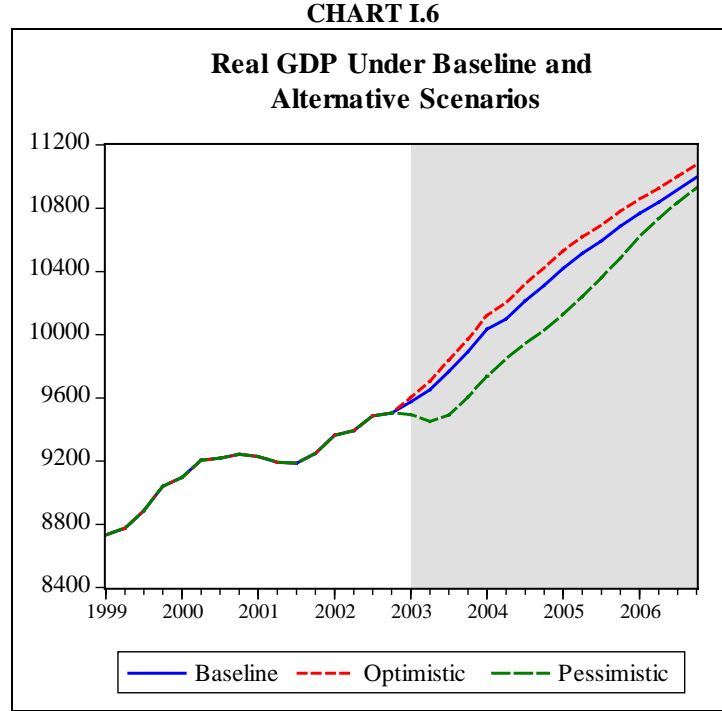
CHART I.5



The stock market is expected to gain about 10% in 2003, even though it is continuing to decline, as global investors are reluctant to invest given uncertainties attributable to a war with Iraq. A quick, favorable military outcome of the Iraq war would have a positive effect on the market, but until then investors are likely to hold off moving back into the market.

RISKS TO THE FORECAST

In addition to the baseline forecast, two alternative scenarios were also developed. An optimistic scenario assumes that Iraq capitulates without a war. A pessimistic scenario calls for a more protracted war. Real GDP for the baseline forecast and the two alternative scenarios are shown on [Chart I.6](#).



Iraq Capitulates Without a War (20% Probability)

A better outcome than the baseline is possible. Iraq may capitulate without a war. Just as it did ten years ago, uncertainty over a war with Iraq is stifling consumer and business spending. The optimistic scenario assumes that the Iraq problem is resolved quickly, with Iraq avoiding a war by capitulating to all U.S. demands. This quick resolution immediately boosts consumer confidence and business sentiment and, in addition, leads to lowered oil prices. This scenario also assumes a stronger economic growth abroad and a stronger response in the trade balance to the weaker dollar. The dollar is assumed to decline 11% relative to the currencies of other major industrialized countries.

The improved outlook boosts consumer spending, business investment, and the stock market. Components of consumption that rise the most include several that have been weak since September 11, such as spending on transportation and on recreation. The economy creates 600,000 more jobs in 2003 than in the baseline, followed by 400,000 more jobs in 2004.

The pickup in economic activity and the improved business climate boost all components of business equipment and software. The effect on nonresidential investment is not as pronounced, though, since this type of investment responds to news with a long lag. GDP growth in the optimistic scenario is about 0.6% higher in 2003 and 0.4% higher in 2004 than in the baseline.

This scenario assumes that the price of West Texas intermediate crude oil peaks at \$36 per barrel, compared with \$34 in the baseline. Fiscal policy is less stimulative than in the baseline, because military spending is lower. Monetary policy is the same, though, since inflation is nearly the same.

Protracted War (20% Probability)

Conventional wisdom says that Saddam Hussein can be toppled and Iraq brought under control in only a few weeks. While all objective criteria support this notion, there is at least some probability that it will take several months to eliminate Saddam. The pessimistic scenario assumes that resistance is greater than anticipated and that the war drags on for about five months, before success is assured.

While the uncertainty lasts, consumer confidence stays low, oil prices linger at high levels, businesses hold back on investment decisions, and the stock market takes another tumble. The Federal Reserve responds to the gathering gloom by lowering the federal funds rate to 0.75% in March. Long term rates rise slightly in the near term, as some investors opt for liquidity and others flee to gold. Fears of escalating terrorist activity within the United States drive the dollar down. After falling 14% in the first quarter, the dollar falls another 11% in the second. With stock prices sliding, risk premiums on private bonds rising, and profits declining, business investment slows.

Although the longer war costs about \$17 billion more than the short war, the extra spending is sufficiently stretched out that it has no obvious impact on GDP growth. Consumer spending falls in both the first and second quarters as anti-war demonstrations, fear of terrorism, and uncertainty over the future keep people close to home. The second quarter gets worse as the war drags on, and more companies react to weak sales by cutting employment. The weak economy finally kills the housing market. Although mortgage rates remain low, the poor job market encourages potential buyers to hold off. Since homeowners are slow to accept that prices must fall, housing market activity weakens dramatically and builders cut back on new construction. The bursting of the housing bubble further depresses consumer confidence, curtailing spending on residential renovations and improvements.

Real GDP is essentially flat in the first quarter, slipping at a 0.3% annual rate. The only positive contribution comes from federal spending, much of which reflects higher military personnel costs. Consumer spending falls at a 1.5% rate in the first quarter and 2.4% in the second. In both quarters, businesses continue to liquidate inventory in the face of uncertainty over future sales.

State and local governments engage in the most severe cost-cutting on record at only a slightly slower pace in the second half. The war finally ends in early summer with an Iraqi regime change. Some troops return home and confidence improves. With inventories at bare-bones levels, production picks up over the fall and winter. By then, new businesses start to form; old ones return to profitability and begin to hire. The unemployment rate heads down after peaking at 6.9%. With the job outlook improving, the housing market picks up and nonresidential construction follows.

In 2004, businesses make up for lost time. Investment in equipment and software climbs at a double-digit pace. Manufacturing activity gets a double boost, first from the pickup in demand, then from the need to rebuild inventories. Federal spending stays high in 2004, as the government rebuilds war supplies and continues to shore up homeland security, but levels begin to slip in early 2004 when the extra war-generated spending winds down. Consumer spending bounces up in late 2003 and early 2004, as relief over the easing

ECONOMIC OUTLOOK - U.S.

of global tension sets in. Further spending gains are somewhat restrained, however, by the high unemployment and weak income gains. But by 2005, the economy is on a solid recovery track.

A summary of the U.S. forecast is contained in Appendix 1.

WISCONSIN OUTLOOK

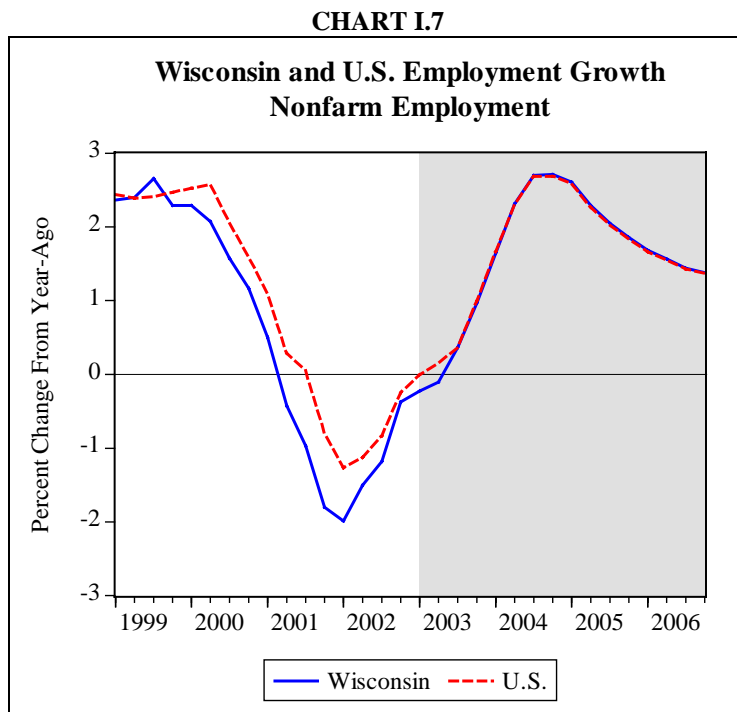
The Wisconsin economy will struggle this year to achieve positive employment growth. The previous forecast in November 2002 used employment estimates through September as a base for projecting employment growth of 1.4% this year. Now, due to large employment benchmark revisions and a lower national forecast, Wisconsin employment growth this year is expected to show only a small positive change of 0.2% over 2001. Labor markets are still quite weak, consumer spending has slowed, and business investment plans remain on hold until some clarity is given to the Iraqi and terrorist situations.

Personal income growth in Wisconsin is now expected to advance by 3.3% in 2003, after a gain of 3.0% in 2002. Because inflation is expected to accelerate slightly this year, real personal income growth is expected to slow to 1.2% in 2003 after a 1.6% gain in 2002.

The outlook for the longer term is better than the outlook for the next few months. If a war in Iraq is both quick, and successful, the national economy is poised to begin a recovery phase that should last into 2004 and 2005. The Wisconsin economy will follow suit. Employment growth for 2004 is now projected to be 2.3%, followed by growth of 2.1% in 2005. Personal income growth is expected to be 4.9% in 2004 and 5% in 2005.

Recent Evidence

The newly revised data on Wisconsin employment now show that total wage and salary employment growth has remained below zero since the second quarter of 2001. At the time of the last forecast in November, it was thought that employment growth had already turned the corner into positive territory. Now, employment data show that Wisconsin entered the 2001 recession before the U.S., and has remained below the U.S. employment growth path up to the present as shown in [Chart I.7](#).



Employment data for Wisconsin (now benchmarked to March 2002) were revised down by 39,800 (1.4%) in March 2002. The difference between the previous estimate and the new estimate for total non-farm employment widened to 69,300 (2.4%) by December 2002. These revisions present a new picture for total employment growth rates for the past two years. Total non-farm employment declined by 0.7% in 2001 rather than by 0.2% as previously estimated. Employment declined by 1.3% in 2002, in contrast to growth of 0.1% as previously estimated. This is a relatively large revision by historical standards.

Two additional noteworthy features of the employment data deserve additional comment here. First, the benchmark employment revisions were released in the new North American Industrial Classification System (NAICS) for the first time. [See Appendix A for a brief explanation of how NAICS differs from the Standard Industrial Classification (SIC) system, and how employment in Wisconsin will look under NAICS compared to the SIC system.] Some economic measures such as value added and exports have previously been converted to the NAICS classification. Other key measures, such as earnings by industry, will be converted later. Moreover, the U.S. wage and salary employment series will not be released in the NAICS format until July 2003, at which time the national data will also be revised to a new benchmark.

Because of the simultaneous release of revised state employment data and the conversion of the same data to NAICS, it is not meaningful to analyze the extent of the benchmark revisions by industry. Also, because the state and regional employment data have now been converted to NAICS in advance of the U.S. employment data, we will suspend the presentation of detailed employment projections until later in the year when both data sets are on the same classification system. The large employment groupings--total private employment, total manufacturing employment, and total government employment, in addition to total non-farm employment--will continue to be featured.

A second feature of the newly revised employment data is the switch to a probability-based sample from the quota sample used previously. The expectations for the new sample employment data are that they may exhibit greater month-to-month variation, and that less industrial detail will be available. The monthly sample-based employment data will continue to be benchmarked to employment data from administrative records, however.

In summary, the recent quarterly pattern of total employment now shows continued declines through the third quarter of 2002, and no growth from the third to the fourth quarter.

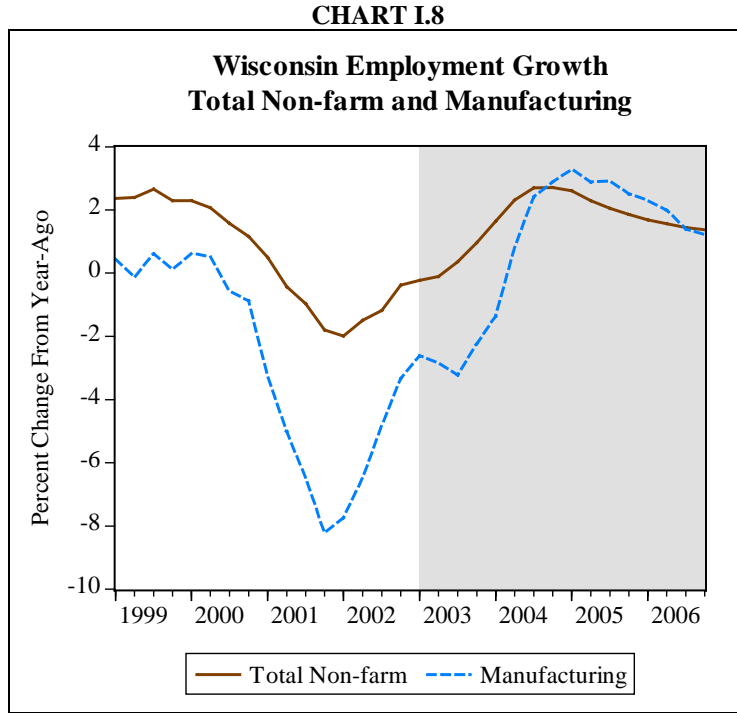
The recent evidence for personal income growth in Wisconsin is somewhat better. The release of the first estimates of third quarter 2002 personal income show that Wisconsin personal income grew at an annual rate of 5.1% in the July to September quarter last year. The first quarter personal income estimate was revised down slightly (-0.03%), and the second quarter personal income estimate was revised down by 0.5%.

Employment Outlook

The relatively large downward revision to total employment has altered the expectations for near-term employment growth in Wisconsin. The current forecast calls for a small decline (-0.2% annual rate) in total non-farm employment during the first quarter of 2003. The weakness will continue into spring when total job growth is expected to be 0.4% at an annualized rate. Employment growth is expected to accelerate during the last two quarters of 2003, growing by 1.1% in the third quarter and by 2.4% in the fourth. For all of 2003, total employment should average 0.2% higher than the average for 2002. The unemployment rate, at 5.3% in the last quarter of 2002, may bump up to 5.8% by mid-year before beginning to slide back down to an average of 4.7% in 2004 and 4.4% in 2005.

Wisconsin manufacturing industries continue to bleed jobs and are expected to show continued declines through the third quarter of this year. The number of manufacturing jobs measured on a NAICS basis was 523,700 in the fourth quarter, down 2.9% from the third quarter. It is now expected that the number of

manufacturing jobs will fall to a level of 510,500 before growth resumes in the fourth quarter. The growth of manufacturing jobs is expected to be 1.2% in 2004 and 2.9% in 2005. On a year-over-year basis, the growth in manufacturing jobs is expected to catch up to growth in total employment by the end of 2004, and then decelerate along with total employment growth to a rate of 1.3% - 1.4% at the end of 2006, as shown in [Chart I.8](#).



State and local government employment in Wisconsin registered an anomalous increase of 10.5% (annual rate) in the last quarter of 2002, after a decline of 4.1% in the third quarter. The usual seasonal employment bulge in August and September as teachers are added to payrolls did not occur in 2002, perhaps due to later school starting dates and lagged reporting.

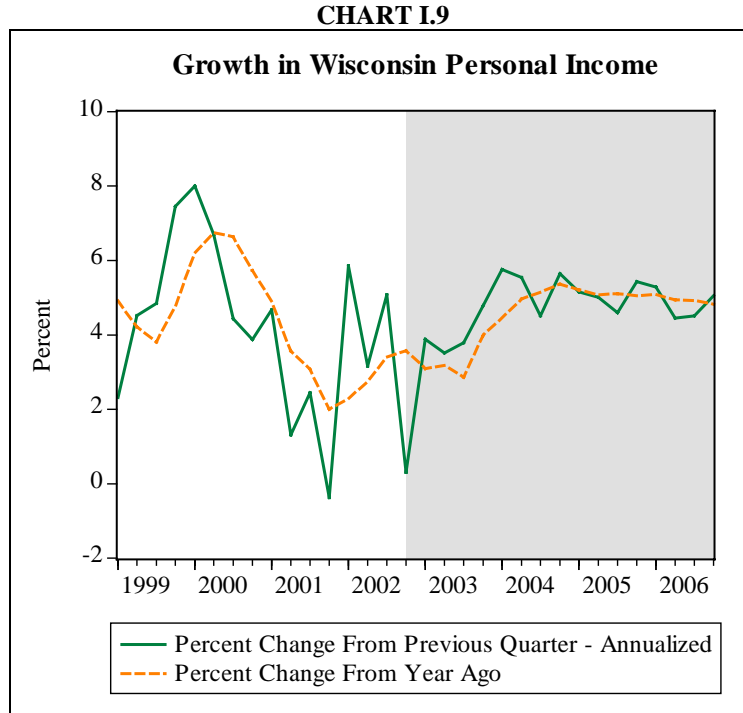
The outlook for state and local government employment over the next two years is for nearly zero growth. The forecast assumes that state and local government employment will be reduced from a baseline projection by 6,000 jobs (1.5%) by the third quarter of 2005. This results in growth in state and local government jobs of 0.6% in 2003 and a decline of 0.4% in 2004. State and local government jobs grew by 0.3% in 2002.

Details of the Wisconsin employment outlook can be found in Appendices 2 and 3.

Income Outlook

Wisconsin personal income grew at a 5.1% annual rate in the third quarter of 2002, up from a revised rate of 3.2% in the second quarter. Year-over-year gains in personal income have shown steady improvement since the 2.0% posting for fourth quarter of 2001. Year-over-year growth in total personal income has been 2.3%, 2.8%, and 3.4% respectively for the first through third quarters of 2002. Based on preliminary estimates of employment for the last quarter of 2002, we estimate that the growth in personal income in the October through December period was estimated to be 0.3% at an annualized rate. The year-over-year growth continues to improve, however, to 3.6%.

The outlook for personal income growth is for continued moderate gains for the next two quarters until employment gains begin to boost income growth above 4% in the last quarter of 2003, and above 5% for most of 2004 and 2005. Personal income growth is expected to average 3.3% for all of 2003, and move up to 5.0% growth in 2004, followed by 5.1% growth in 2005. The recent history and projected growth of Wisconsin personal income is shown in [Chart I.9](#).

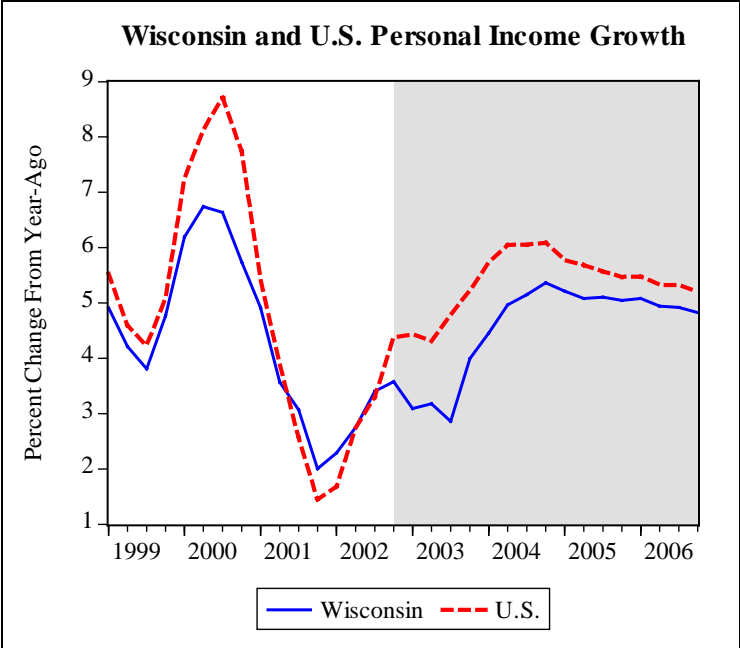


Wages and Salaries grew by 2.7% in 2002, and are estimated to grow by 2.4% in 2003. When employment growth resumes in 2004 and 2005, wage and salary income growth bumps up to 4.9% in 2004 and 5.0% in 2005. Other labor income, a category of income that includes fringe benefits such as employer’s contributions to employee health plans, has been growing quite rapidly recently. Other labor income grew by 7.6% in 2002 and is expected to grow by 6.8% this year. The forecast for growth in other labor income remains robust in 2004 at 7.2% and in 2005 at 6.5%.

Property income growth has been weak for the past two years because of a poor stock market performance and declining interest rates. Property income in Wisconsin grew by only 2.3% in 2001 after growth of 10.9% in 2000. Last year growth in property income dwindled to 0.6%. We expect growth in property income to accelerate this year to 2.4%, followed by growth of 5.1% in 2004, 6.1% in 2005, and 7.1% in 2006.

As shown in [Chart I.10](#), Wisconsin personal income is projected to grow slower than U.S. personal income in the forecast period. The average annual rate of growth for Wisconsin personal income for the period 2003 to 2013 is expected to be 5.1%, while the average annual rate of growth for U.S. personal income is expected to be 5.7%. This projected growth differential is close to the historical average of 0.5%. After correcting for differences in population growth, the projected growth differential shrinks to 0.3%. For the 2003-2013 period, growth in Wisconsin personal income per capita is expected to average 4.5% per year, while growth in U.S. personal income per capita is expected to average 4.8% per year.

CHART I.10



Details of the Wisconsin income outlook can be found in Appendices 4 and 5.

APPENDICES

[Appendix 1](#): U. S. Economic Forecast

[Appendix 2](#): Wisconsin Employment Forecast: Industry Detail (Annual)

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ECONOMIC OUTLOOK - APPENDICES

**APPENDIX 1
U.S. ECONOMIC FORECAST
GLOBAL INSIGHT**

	2002	2003	2004	2005	2006	2007	2008
Real GDP and its Components (Billions of Chain Weighted 1996 Dollars)							
GDP	9,436.10	9,721.10	10,164.70	10,553.10	10,879.80	11,196.50	11,499.50
% Change	2.4	3.0	4.6	3.8	3.1	2.9	2.7
Consumption	6,573.00	6,737.60	7,045.80	7,324.20	7,552.80	7,765.20	7,966.60
% Change	3.1	2.5	4.6	4.0	3.1	2.8	2.6
Investment (Incl. Inventory)	1,582.80	1,665.90	1,816.90	1,909.40	1,970.00	2,040.20	2,113.90
% Change	0.5	5.2	9.1	5.1	3.2	3.6	3.6
Nonresidential Structures	226.5	218.3	233.2	259.8	272.5	278.5	277.9
% Change	-16.4	-3.6	6.8	11.4	4.9	2.2	-0.2
Business Equipment	970.40	1,027.60	1,149.80	1,245.20	1,312.50	1,379.50	1,462.40
% Change	-1.8	5.9	11.9	8.3	5.4	5.1	6
Residential Fixed	387.6	397.9	389.3	386.9	384.5	390.9	396.8
% Change	3.8	2.7	-2.2	-0.6	-0.6	1.7	1.5
Inventory Change	-0.5	29.1	68.9	50.9	42	41.6	41.5
Exports	1,061.70	1,108.10	1,209.30	1,319.60	1,422.40	1,527.80	1,638.60
% Change	-1.3	4.4	9.1	9.1	7.8	7.4	7.2
Imports	1,543.90	1,615.10	1,744.90	1,854.00	1,948.30	2,042.20	2,142.70
% Change	3.5	4.6	8.0	6.3	5.1	4.8	4.9
Federal Government	612.9	674.9	684.7	685.2	692.0	698.4	705.0
% Change	7.4	10.1	1.5	0.1	1.0	0.9	0.9
State and Local Government	1,100.00	1,100.90	1,109.90	1,130.00	1,154.60	1,175.60	1,192.50
% Change	2.9	0.1	0.8	1.8	2.2	1.8	1.4
GDP (Current Dollars)	10,442.10	10,951.80	11,675.20	12,360.20	13,005.50	13,696.60	14,425.20
% Change	3.6	4.9	6.6	5.9	5.2	5.3	5.3

Employment, Unemployment, Wages and Prices							
Nonfarm Employment (Millions)	130.8	131.3	134.3	137.3	139.3	141.1	142.4
% Change	-0.9	0.4	2.3	2.2	1.5	1.3	0.9
Unemployment Rate (%)	5.8	6.1	5.3	5.0	5.1	5.1	4.8
Compensation per Hour (% Change)	2.9	4.3	4.1	4.2	3.9	4.0	4.3
Consumer Price Index (% Change)	1.6	2.1	1.9	2.1	2.2	2.5	2.7
Producer Price Index (% Change)	-2.3	3.0	0.2	0.8	1.0	1.2	1.2
GDP Price Deflator (% Change)	1.1	1.8	2.0	2.0	2.1	2.3	2.5
Industrial Production (% Change)	-0.7	2.5	5.8	5.4	4.6	4.2	4.0

Financial Markets							
Money Supply (M2) (\$ Billions)	5,619.9	5,964.0	6,208.1	6,424.2	6,634.4	6,891.0	7,178.8
% Change	7.7	6.1	4.1	3.5	3.3	3.9	4.2
Prime Commercial Rate (%)	4.7	4.6	6.3	7.2	7.9	8.2	8.5
Three Month Treasury Bills (%)	1.6	1.5	3.1	3.9	4.5	4.8	5.1
Ten-Year Treasury Note Yield (%)	4.6	4.4	5.9	6.5	6.7	6.6	6.6
General Obligation AAA Municipals (%)	4.9	4.8	5.5	5.9	6.1	6.1	6.1
Thirty-Year Mortgage Rate (%)	6.5	6.2	7.3	7.8	8.1	8.0	8.1
S&P 500 Stock Index	995.7	927.1	1,038.8	1,189.8	1,293.5	1,397.4	1,513.6

Income, Profits and Savings							
Personal Income (\$ Billions)	8,948.10	9,367.90	9,928.30	10,486.40	11,045.30	11,628.00	12,261.50
% Change	3.0	4.7	6.0	5.6	5.3	5.3	5.4
Personal Income (\$ 1996) (\$ Billions)	8,056.00	8,267.90	8,612.30	8,921.30	9,202.30	9,459.80	9,720.00
% Change	1.6	2.6	4.2	3.6	3.1	2.8	2.8
Savings Rate (%)	3.9	5.3	5.8	4.9	3.8	2.9	2.5
Corporate Profits Before Tax (\$ Billions)	774.7	818.5	843.8	870.6	902.2	965.7	1,001.40
% Change	5.9	5.6	3.1	3.2	3.6	7.0	3.7

ECONOMIC OUTLOOK - APPENDICES

APPENDIX 2

**WISCONSIN EMPLOYMENT FORECAST: INDUSTRY DETAIL
(THOUSANDS OF WORKERS)**

	History		Forecast					
	2001	2002	2003	2004	2005	2006	2007	2008
Manufacturing	560.4	528.8	514.3	520.4	535.5	544.7	548.2	554.5
% Change	-5.7	-5.6	-2.7	1.2	2.9	1.7	0.7	1.1
Private Non Manufacturing	1,840.2	1,835.5	1,853.1	1,911.4	1,952.6	1,980.8	2,012.0	2,033.8
% Change	0.4	-0.3	1.0	3.1	2.2	1.4	1.6	1.1
Total Private	2,400.5	2,364.2	2,367.4	2,431.8	2,488.1	2,525.5	2,560.3	2,588.3
% Change	-1.1	-1.5	0.1	2.7	2.3	1.5	1.4	1.1
Government	413.7	414.4	417.5	416.2	420.8	427.1	430.5	430.6
% Change	2.0	0.2	0.7	-0.3	1.1	1.5	0.8	0.0
Total Nonfarm	2,814.3	2,778.7	2,784.9	2,848.1	2,908.9	2,952.7	2,990.8	3,018.9
% Change	-0.7	-1.3	0.2	2.3	2.1	1.5	1.3	0.9

Household Survey Employment Measures

Labor Force	3,053.2	3,062.5	3,081.0	3,117.8	3,168.9	3,215.3	3,252.7	3,274.4
% Change	4.0	0.3	0.6	1.2	1.6	1.5	1.2	0.7
Employment	2,921.5	2,904.5	2,910.5	2,972.0	3,030.4	3,073.8	3,111.2	3,140.9
% Change	3.2	-0.6	0.2	2.1	2.0	1.4	1.2	1.0
Unemployment Rate (%)	4.3	5.2	5.5	4.7	4.4	4.4	4.3	4.1

ECONOMIC OUTLOOK - APPENDICES

APPENDIX 3

**WISCONSIN EMPLOYMENT FORECAST: INDUSTRY DETAIL
(THOUSANDS OF WORKERS)**

Quarterly Data (Seasonally Adjusted, % Change at an Annual Rate)

	History				Forecast			
	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Manufacturing	534.2	529.6	527.5	523.7	520.2	514.6	510.5	512.0
%Change	-5.4	-3.4	-1.6	-2.9	-2.6	-4.3	-3.1	1.2
Private Non Manufacturing	1,832.9	1,837.1	1,839.2	1,832.7	1,835.5	1,844.9	1,858.3	1,873.7
%Change	1.0	0.9	0.5	-1.4	0.6	2.1	2.9	3.4
Total Private	2,367.1	2,366.8	2,366.7	2,356.4	2,355.7	2,359.5	2,368.8	2,385.7
%Change	-0.5	-0.1	0.0	-1.7	-0.1	0.7	1.6	2.9
Government	414.3	413.9	409.6	420.0	419.3	418.2	416.6	416.0
%Change	-2.5	-0.4	-4.1	10.5	-0.7	-1.0	-1.6	-0.5
Total Nonfarm	2,781.3	2,780.7	2,776.3	2,776.3	2,775.0	2,777.7	2,785.4	2,801.7
%Change	-0.8	-0.1	-0.6	0.0	-0.2	0.4	1.1	2.4

Household Survey Employment Measures

Labor Force	3,065.6	3,055.3	3,060.2	3,068.9	3,072.3	3,079.6	3,084.2	3,087.8
% Change	1.0	-1.3	0.6	1.1	0.4	1.0	0.6	0.5
Employment	2,904.6	2,903.2	2,904.4	2,906.0	2,901.3	2,902.1	2,909.6	2,929.1
% Change	-0.9	-0.2	0.2	0.2	-0.6	0.1	1.0	2.7
Unemployment Rate (%)	5.3	5.0	5.1	5.3	5.6	5.8	5.7	5.1

ECONOMIC OUTLOOK - APPENDICES

APPENDIX 4

**WISCONSIN INCOME SUMMARY
COMPONENTS OF PERSONAL INCOME
(\$ Billions)**

	History		Forecast					
	2001	2002	2003	2004	2005	2006	2007	2008
Wages and Salaries	89.663	92.118	94.332	98.944	103.86	108.423	113.230	118.047
% Change	2.0	2.7	2.4	4.9	5.0	4.4	4.4	4.3
Other Labor Income	10.515	11.315	12.080	12.946	13.784	14.298	14.747	15.290
% Change	4.8	7.6	6.8	7.2	6.5	3.7	3.1	3.7
Proprietor's Income	9.107	8.712	9.633	10.466	10.974	11.285	11.712	12.163
% Change	4.1	-4.3	10.6	8.6	4.9	2.8	3.8	3.8
Rental Income	2.324	2.434	2.470	2.683	2.836	2.959	3.083	3.216
% Change	-6.3	4.7	1.5	8.6	5.7	4.3	4.2	4.3
Personal Dividend Income	8.640	9.119	9.931	10.305	10.744	11.448	12.217	12.889
% Change	8.8	5.5	8.9	3.8	4.3	6.5	6.7	5.5
Personal Interest Income	21.084	20.697	20.620	21.717	23.238	25.081	26.744	28.495
% Change	0.9	-1.8	-0.4	5.3	7.0	7.9	6.6	6.6
Transfer Payments	20.855	22.870	23.622	24.061	24.749	25.919	27.349	28.88
% Change	10.8	9.7	3.3	1.9	2.9	4.7	5.5	5.6
Residence Adjustment	2.727	2.732	2.825	3.050	3.294	3.544	3.816	4.110
% Change	1.5	0.2	3.4	8.0	8.0	7.6	7.7	7.7
Contributions to Social Ins.	6.800	7.127	7.309	7.634	7.974	8.298	8.647	8.995
% Change	3.6	4.8	2.6	4.5	4.5	4.1	4.2	4.0
Total Personal Income	158.116	162.870	168.204	176.537	185.506	194.658	204.251	214.095
% Change	3.4	3.0	3.3	5.0	5.1	4.9	4.9	4.8
Personal Tax & Nontax Payments	23.163	20.308	19.460	19.137	20.762	23.351	25.801	27.797
% Change	-1.8	-12.3	-4.2	-1.7	8.5	12.5	10.5	7.7
Disposable Personal Income	134.953	142.562	148.743	157.400	164.744	171.308	178.450	186.298
% Change	4.3	5.6	4.3	5.8	4.7	4.0	4.2	4.4

Related Income Measures

Personal Income (1996 \$) (\$ Billions)	144.316	146.633	148.455	153.138	157.820	162.179	166.166	169.721
% Change	1.3	1.6	1.2	3.2	3.1	2.8	2.5	2.1
Per Capita Income (1996 \$)	26,718	26,980	27,148	27,834	28,512	29,124	29,661	30,114
% Change	0.7	1.0	0.6	2.5	2.4	2.1	1.8	1.5
Per Capita Income (\$)	29,273	29,968	30,760	32,087	33,514	34,956	36,459	37,987
% Change	2.7	2.4	2.6	4.3	4.4	4.3	4.3	4.2
Per Capita Income as a Percent of U.S.	96.2	96.4	95.4	94.7	94.5	94.3	94.2	93.9

ECONOMIC OUTLOOK - APPENDICES

APPENDIX 5

WISCONSIN INCOME SUMMARY
COMPONENTS OF PERSONAL INCOME (\$ Billions)
 Quarterly Data (Seasonally Adjusted, % Change at an Annual Rate)

	History			Forecast				
	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wages and Salaries	91.122	91.658	92.774	92.918	93.301	93.839	94.531	95.658
% Change	6.7	2.4	5.0	0.6	1.7	2.3	3.0	4.9
Other Labor Income	11.008	11.192	11.457	11.605	11.800	11.994	12.167	12.359
% Change	13.9	6.9	9.8	5.3	6.9	6.7	5.9	6.4
Proprietor's Income	8.799	8.265	8.775	9.008	9.265	9.533	9.699	10.036
% Change	-15.9	-22.2	27.1	11.1	11.9	12.1	7.1	14.6
Rental Income	2.367	2.626	2.466	2.276	2.334	2.446	2.518	2.582
% Change	4.2	51.6	-22.2	-27.4	10.6	20.6	12.3	10.6
Personal Dividend Income	8.915	9.037	9.207	9.315	9.468	9.787	10.193	10.275
% Change	5.9	5.6	7.7	4.8	6.7	14.2	17.6	3.3
Personal Interest Income	20.625	20.776	20.776	20.611	20.612	20.542	20.557	20.769
% Change	-1.0	3.0	0.0	-3.1	0.0	-1.4	0.3	4.2
Transfer Payments	22.394	22.953	23.140	22.993	23.558	23.640	23.650	23.640
% Change	19.3	10.4	3.3	-2.5	10.2	1.4	0.2	-0.2
Residence Adjustment	2.703	2.732	2.748	2.747	2.764	2.796	2.842	2.898
% Change	0.0	4.4	2.4	-0.2	2.5	4.7	6.8	8.1
Contributions to Social Ins.	7.051	7.095	7.179	7.184	7.241	7.273	7.318	7.404
% Change	13.4	2.5	4.8	0.3	3.2	1.8	2.5	4.8
Total Personal Income	160.884	162.143	164.163	164.289	165.862	167.302	168.839	170.812
% Change	5.9	3.2	5.1	0.3	3.9	3.5	3.7	4.8
Personal Tax & Nontax Payments	20.708	20.396	20.206	19.922	20.027	20.005	18.551	19.258
% Change	-36.2	-5.9	-3.7	-5.5	2.1	-0.5	-26.1	16.2
Disposable Personal Income	140.176	141.747	143.957	144.366	145.834	147.298	150.289	151.553
% Change	14.7	4.6	6.4	1.1	4.1	4.1	8.4	3.4

Related Income Measures

Personal Income (1996 \$) (\$ Billions)	146.072	146.222	147.415	146.821	147.348	147.737	148.773	149.960
% Change	4.7	0.4	3.3	-1.6	1.4	1.1	2.8	3.2
Per Capita Income (1996 \$)	26,939	26,925	27,103	26,953	27,008	27,038	27,186	27,361
% Change	4.1	-0.2	2.7	-2.2	0.8	0.4	2.2	2.6
Per Capita Income (\$)	29,671	29,857	30,183	30,159	30,401	30,618	30,852	31,165
% Change	5.2	2.5	4.4	-0.3	3.2	2.9	3.1	4.1
Per Capita Income as Percent of U.S. (%)	96.7	96.3	96.7	95.9	95.7	95.6	95.2	95.1

APPENDIX A

COMPARISON OF NAICS AND SIC

The North American Industry Classification System (NAICS) is a new industry classification system that groups economic activity into 20 broad sectors, an increase from the 10 divisions of the SIC system. The concept for grouping is to distinguish business establishments by production processes.

Established in 1997, with the cooperation of our NAFTA partners, Canada and Mexico, NAICS emphasizes new and emerging industries, high-technology industries, and service industries. Current plans call for revisions every five years.

Many of the new sectors reflect recognizable parts of SIC divisions, such as the Utilities and Transportation sectors, broken out from the SIC division Transportation, Communications, and Utilities. Similarly, the SIC division for Service Industries has been separated to form several new sectors: Professional, Scientific and Technical Services; Management, Support, Waste Management, and Remediation Services; Education Services; Health and Social Assistance; Arts, Entertainment, and Recreation; and Other Services except Public Administration. Five sectors are primarily goods-producing and 15 are entirely services-producing industries.

Other NAICS sectors represent combinations of industrial activity from more than one SIC division. For example, the Information sector includes major components from Transportation, Communications, and Utilities (broadcasting and telecommunications), Manufacturing (publishing), and Service Industries (software publishing, data processing, information services, motion picture and sound recording). The Information sector identifies new industries like cellular and other wireless telecommunications, telecommunications resellers, web search portals, Internet service providers, and Internet publishing and broadcasting. Also included in the Information sector are newspaper, book and periodical publishing (previously included in manufacturing); motion picture and sound recording industries; libraries; and other information services. The Accommodation and Foodservices sector put together hotels and other lodging places from the Service Industries division and eating and drinking places from the Retail Trade division.

The greatest impact in SIC to NAICS conversion will be to manufacturing and wholesale trade. For example, auxiliary support establishments will be classified by their primary activity. Under SIC, they were classified according to the establishment served. A warehouse that is at a separate physical location for a manufacturing establishment will be classified in Warehousing and Storage in NAICS; under SIC, it would have been classified in Manufacturing.

A summary of how Wisconsin employment is categorized by industry for both the SIC system and the NAICS system is shown in Table I.1 and Table I.2. The data for both tables comes from the Covered Employment and Wages (CEW) Program, which uses administrative records from the unemployment insurance program. The data in the two tables show that when employment in Wisconsin is reclassified from SIC to NAICS, the manufacturing share is reduced from 22.1% to 21.7%, retail trade is reduced from 18.2% to 12.4%, and Health Care and Social Assistance becomes the third largest private industry in the state.

**TABLE I.1
SIC INDUSTRY DIVISIONS**

Division Title	March 2001 Employment	% Share
Agriculture, Forestry, and Fisheries	25,025	0.9
Mineral Industries	2,169	0.1
Construction Industries	109,371	4.1
Manufacturing	595,211	22.1
Transportation, Communications, and Utilities	128,787	4.8
Wholesale Trade	135,957	5.1
Retail Trade	487,974	18.2
Finance, Insurance, and Real Estate	145,696	5.4
Service Industries	671,967	25.0
Public Administration	385,055	14.3
Total	2,687,212	100.0

**TABLE I.2
NAICS SECTORS**

Sector Title	March 2001 Employment	% Share
Agriculture, Forestry, Fishing and Hunting	14,741	0.5
Mining	2,288	0.1
Utilities	14,790	0.6
Construction	110,527	4.1
Manufacturing	583,569	21.7
Wholesale Trade	116,937	4.4
Retail Trade	332,027	12.4
Transportation and Warehousing	82,595	3.1
Information	54,824	2.0
Finance and Insurance	122,784	4.6
Real Estate and Rental and Leasing	26,403	1.0
Professional, Scientific, and Technical Services	89,822	3.3
Management of Companies and Enterprises	3,216	0.1
Administrative, Support, Waste Management, and Remediation Services	114,455	4.3
Educational Services	24,724	0.9
Health Care and Social Assistance	298,047	11.1
Arts, Entertainment, and Recreation	25,750	1.0
Accommodation and Food Services	198,905	7.4
Other Services	85,756	3.2
Public Administration	385,055	14.3
Total	2,687,215	100.0

II. REVENUE COLLECTIONS REPORT

REVENUE COLLECTIONS THROUGH JANUARY 2003

Introduction

State General Purpose Revenue (GPR) taxes collected by the Department of Revenue (DOR) during the first seven months of fiscal year (FY) 2003 increased 1.5% over the comparable period of FY 2002, from \$5,521.9 million to \$5,602.1 million.

[Table II.1](#) compares actual collections for the first seven months of FY 2003 with the comparable period of FY 2002.

Individual Income Tax

Individual income tax collections during the first seven months of FY 2003 increased 1.6% to \$3,041.0 million from \$2,994.2 million for the comparable period in FY 2002.

The largest component of individual income tax collections is withholding, which is largely from wages and salaries. Withholding for the first seven month of FY 2003 increased 3.4% from \$2,507 million to \$2,592 million.

Estimated payments decreased 5.1% from \$487 million to \$462 million. Refunds increased 9.1% from \$102.4 million to \$111.8 million. Additional and delinquent collections decreased 10.0% from \$66.0 million to \$59.4 million.

General Sales and Use Tax

Collections from the 5% general sales and use tax for the first seven months of FY 2003 increased 1.3% from \$1,914.7 million to \$1,939.4 million.

Initial sales tax collections for the first seven months of FY 2003 have increased 1.1% from \$1,875.6 million to \$1,896.5 million. Miscellaneous collections, from audit and delinquent collection activity, decreased 7.8% from \$51.7 million to \$55.7 million.

Corporation Franchise and Income Tax

Through January, corporate collections decreased 8.1% from \$235.5 million to \$216.6 million. The major source of corporate collections—estimated payments—decreased 9.4% from \$284.6 million to \$257.8 million. Payments with tax returns decreased 18.8% from \$27.5 million to \$22.3 million. Miscellaneous collections (mostly from additional assessments and delinquent payments) increased 67.7% from \$17.6 million to \$29.4 million. Refunds decreased 1.1% from \$94.1 million to \$93.0 million.

Public Utility Taxes

Utility tax collections for the first seven months of FY 2003 increased 12.4% from \$128.4 million to \$144.4 million. Taxes paid by light heat and power companies increased 7.5% from \$70.7 to \$76.0 million. Taxes paid by telecommunications companies increased 21.8% from \$46.5 million to \$56.7 million.

REVENUE COLLECTIONS REPORT

Excise Taxes

Cigarette tax collections for the first seven months of FY 2003 increased 4.7% from \$145.5 million to \$152.4 million. The increase reflects in part a 30% increase in the tax rate, which increased from \$0.59 per pack to \$0.77 per pack in October 2001. Cigarette consumption for the fiscal year is down about 8%.

Liquor and wine tax collections for the first seven months of FY 2003 increased 1.3% from \$17.9 million to \$18.1 million.

Beer tax collections increased 2.2% from \$4.69 million to \$4.79 million.

Tobacco products tax collections increased 23.0% from \$6.6 million to \$8.1 million. This increase also reflects in part a tax rate increase from 20% to 25% of the wholesale price, which became effective in October 2001. Consumption of tobacco products does not appear to have experienced the noticeable decline seen in cigarette consumption.

Estate Tax

For the first seven months of FY 2003, estate tax collections decreased 1.5%, from \$48.4 million to \$47.7 million. Collections were adversely affected by the federal phase-out of the state tax credit.

Real Estate Transfer Fee

Real estate transfer fee collections for the first seven months of FY 2003 increased 14.2% from \$26.0 million to \$29.6 million. The strong increase in collections reflects continuing strength in the residential real estate market.

REVENUE COLLECTIONS REPORT

**TABLE II.1
COMPARISON OF JULY-JANUARY DEPARTMENT OF REVENUE
ACTUAL TAX RECEIPTS
(\$ Millions)**

Tax Source	First Seven Months of		
	2001-02	2002-03	% Change
Individual Income	\$2,994.2	\$3,041.0	1.6%
General Sales & Use	1,914.7	1,939.4	1.3%
Corporation Franchise & Income	235.5	216.6	-8.1%
Public Utility	128.4	144.4	12.4%
Excise			
Cigarette	145.5	152.4	4.7%
Liquor	17.9	18.1	1.3%
Beer	4.7	4.8	2.2%
Tobacco Products	6.6	8.1	23.0%
Estate	48.4	47.7	-1.5%
Real Estate Transfer Fee	26.0	29.6	14.2%
TOTAL	\$5,521.9	\$5,602.1	1.5%

NOTE: Detail may not add to totals because of rounding and percent changes were calculated before rounding.



STATE OF WISCONSIN

Notice of **Material Information** #2003-15
Dated March 14, 2003

This document provides information which may be material to financial evaluation of the State of Wisconsin, however neither the preparation nor submission of this document constitutes a Listed Event pursuant to the State's Master Agreement on Continuing Disclosure.

Issuer: State of Wisconsin

CUSIP Numbers: 977053, 977055 and 977056 Prefix (All)
977087 Prefix (All) 977092 Prefix (All)
977109 Prefix (All) 977123 Prefix (All)

Type of Information: Other Secondary Market Information

*Department of Revenue
Quarterly Wisconsin Economic Outlook
March 7, 2003*

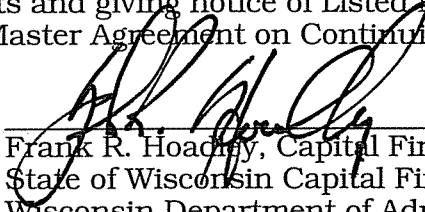
This is the regularly scheduled quarterly Wisconsin Economic Outlook that is released by the State of Wisconsin Department of Revenue.

Fiscal Periods Covered: July 1, 2002 through June 30, 2003

Type of Filing: Filed in both electronic and paper form with each Nationally Recognized Municipal Securities Information Repository. This Notice is also available on the world wide web at:

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The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing Annual Reports and giving notice of Listed Material Events when notice is required by the State's Master Agreement on Continuing Disclosure.



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