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**State of Wisconsin**  
**Additional/Voluntary Filing #2019-22**  
Dated August 27, 2019

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This Additional/Voluntary Filing does not concern an event described in Securities and Exchange Act Rule 15c2-12, as amended. The State of Wisconsin provides this information as it may be material to financial evaluation of one or more obligations of the State of Wisconsin.

**Issuer:** State of Wisconsin

<b>CUSIP Numbers:</b>	977055 Prefix (All)	977056 Prefix (All)
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	977123 Prefix (All)	97709T Prefix (All)

**Type of Information:** Financial /Operating Filing; Additional Voluntary; Budget

Attached are two documents (1) a memo from the Legislative Fiscal Bureau, dated August 26, 2019 and (2) a release from the Department of Revenue also dated August 26, 2019. These two items contain the same preliminary General Fund tax revenue collections for fiscal year 2018-19. This data is preliminary in nature and will be subject to revision for inclusion into the Annual Financial Report (budgetary basis, unaudited), which is scheduled for release in October 2019.

Based on these collections, a transfer to the Budget Stabilization fund of \$321.7 million has occurred.

The State of Wisconsin is providing this Additional/Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This Additional/Voluntary Filing is also available on the State of Wisconsin Capital Finance Office web site at:

[doa.wi.gov/capitalfinance](http://doa.wi.gov/capitalfinance)

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 additional/voluntary filings, annual reports, and Event Filings pursuant to the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), and is authorized to distribute this information publicly.

/S/ DAVID R. ERDMAN

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## Legislative Fiscal Bureau

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August 26, 2019

TO: Representative John Nygren, Assembly Chair  
Senator Alberta Darling, Senate Chair  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Preliminary 2018-19 General Fund Tax Collections

### **2018-19 General Fund Tax Collections**

Preliminary information regarding general fund tax collections for the 2018-19 fiscal year is now available. According to the Department of Revenue (DOR), collections totaled \$17,341.4 million in 2018-19, which is an increase of 7.4% from the prior year.

The final estimate in May, 2019, of tax collections for 2018-19 was \$17,265.9 million. Actual collections were \$75.5 million, or 0.4% above the estimate.

The attachment presents a comparison of the estimated and actual general fund tax collections along with the differences between the estimated and actual figures. The amounts in the table are based on preliminary reports of 2018-19 tax collections provided by DOR. Final general fund tax collections, along with department revenues and expenditures for 2018-19, will be available in mid-October when the Annual Fiscal Report is issued by the Department of Administration.

### **2018-19 Deposit to the Budget Stabilization Fund**

As noted above, tax collections for 2018-19 are \$75.5 million higher than the most recent estimate. Under s. 16.518 of the statutes, half of any excess of actual general fund tax collections in a fiscal year over the amount estimated at the time of enactment of the biennial budget must be deposited into the budget stabilization fund at the close of the fiscal year. Additionally, 2017 Act 368 directed that the amount of sales and use taxes collected in 2018-19 under the *Wayfair* decision be excluded from the calculation. Under these provisions, it is estimated that, for 2018-19, \$321.7 million will be transferred to the budget stabilization fund. That calculation is shown below.

**2018-19 Deposit to the Budget Stabilization Fund  
(in Millions)**

Preliminary Actual Tax Collections	\$17,341.4
Estimated Collections under <i>Wayfair</i>	<u>-59.2</u>
Subtotal	\$17,282.2
2017 Act 59 Tax Estimate	<u>-16,638.8</u>
Difference	\$643.4
Difference ÷ 2 for Deposit to the Budget Stabilization Fund	\$321.7

The budget stabilization fund currently has a balance of \$327.4 million. With the transfer shown here, that balance would increase to \$649.1 million, plus whatever interest accrues to the fund.

**2019-21 Effect on the General Fund Balance**

On May 15, 2019, this office projected 2018-19 tax collections at \$17,265.9 million. Of that amount, it was estimated that collections under *Wayfair* would total \$45.0 million. As indicated, 2018-19 tax collections are \$75.5 million above the May estimates and the *Wayfair* amount for 2018-19 is estimated at \$59.2 million, or \$14.2 million higher than projected in May.

The table below shows the distribution of the additional amount to the budget stabilization fund and the general fund balance (in millions) compared to the May projection.

<b>Deposit to the Budget Stabilization Fund</b>	
Additional Tax Collections	\$75.5
Additional Collections under <i>Wayfair</i>	<u>-14.2</u>
Difference	\$61.3
Difference ÷ 2 for Deposit to the Budget Stabilization Fund	\$30.65
<b>Deposit to the General Fund</b>	
Additional Tax Collections	\$75.5
Amount for Deposit to the Budget Stabilization Fund	<u>-30.65</u>
Amount for Deposit to the General Fund	\$44.85

Under 2019 Act 9 (the budget act), it was estimated that the net, general fund balance at the end of the 2019-21 biennium would be \$29.20 million. With the addition of the \$44.85 million shown above, the estimated balance would increase to \$74.05 million.

BL/SM/lb  
Attachment  
cc: Members, Wisconsin Legislature

**ATTACHMENT**

**Preliminary Information on Actual General Fund  
Tax Collections for the 2018-19 Fiscal Year  
(\$ in Millions)**

	Fiscal Year 2018-19		Difference	
	<u>General Fund Tax Revenues</u>		<u>Actual from Estimate</u>	
	<u>Estimated</u>	<u>Actual</u>	<u>Difference</u>	<u>Percent</u>
Individual Income	\$8,950.0	\$8,994.1	\$44.1	0.5%
General Sales and Use	5,650.0	5,695.5	45.5	0.8
Corporate Income/Franchise	1,355.0	1,338.1	-16.9	-1.2
Public Utility	353.0	364.9	11.9	3.4
Excise				
Cigarette	523.0	514.3	-8.7	-1.7
Tobacco Products	86.0	85.5	-0.5	-0.6
Liquor and Wine	54.0	53.6	-0.4	-0.7
Beer	8.9	8.5	-0.4	-4.5
Insurance Company	195.0	194.4	-0.6	-0.3
Miscellaneous	<u>91.0</u>	<u>92.5</u>	<u>1.5</u>	1.6
TOTAL	\$17,265.9	\$17,341.4	\$75.5	0.4%



# State of Wisconsin • DEPARTMENT OF REVENUE

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*Tony Evers*  
Governor

*Peter W. Barca*  
Secretary of Revenue

## FOR IMMEDIATE RELEASE

August 26, 2019

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(608) 266-2300 or [DORCommunications@wisconsin.gov](mailto:DORCommunications@wisconsin.gov)

## Department of Revenue Collections, Fiscal Year 2019

### General Purpose Revenue (GPR) Collections, FY2019

Fiscal Year 2019 Unaudited Final  
Amounts in Thousands (\$), rounded

	Actual Fiscal Year 2018	LFB Estimate May 2019	Preliminary FY 2019	Variance From Estimate
Individual Income	8,479,150	8,950,000	8,994,096	44,096
General Sales and Use	5,448,118	5,650,000	5,695,548	45,548
Corporate Income/Franchise	893,892	1,355,000	1,338,063	(16,937)
Public Utility	365,343	353,000	364,941	11,941
Excise Taxes	679,979	671,900	661,918	(9,982)
Cigarette	538,898	523,000	514,273	(8,727)
Tobacco Products	80,202	86,000	85,521	(479)
Liquor and Wine	51,970	54,000	53,600	(400)
Beer	8,909	8,900	8,524	(376)
Insurance	186,272	195,000	194,356	(644)
Miscellaneous	91,412	91,000	92,465	1,465
<b>Total</b>	<b>16,144,166</b>	<b>17,265,900</b>	<b>17,341,387</b>	<b>75,487</b>

General purpose revenue (GPR) tax collections increased 7.4% in fiscal year 2019 (FY19) to \$17,341.4 million. This is 0.44% more than the Legislative Fiscal Bureau's May 2019 estimate of \$17,265.9 million.

These are unaudited figures subject to final review by the State Controller's Office prior to the publication of the Department of Administration's Annual Fiscal Report to be released October 15, 2019. Additionally, the Legislative Audit Bureau performs an audit of the State's Comprehensive Annual Financial Report which is published in December of each year.

These collections do not offer guidance on the budget balance for FY19. Other general purpose revenues and the final general purpose revenue expenditures will have substantial bearing on the final budget balance.

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