
State of Wisconsin
Additional/Voluntary Filing#2020-20
Dated September 4, 2020

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

CUSIP Numbers: 977055 Prefix (All) 977056 Prefix (All)
97705L Prefix (All) 97705M Prefix (All)
977087 Prefix (All) 97709T Prefix (All)
977123 Prefix (All) 977100 Prefix (All)

Type of Information: Financial/Operating Data Disclosures; Additional Voluntary; Budget

Attached are two documents (1) a memo from the Legislative Fiscal Bureau, dated August 31, 2020 and (2) a release from the Department of Revenue also dated August 31, 2020. These two items contain the same preliminary General Fund tax revenue collections for fiscal year 2019-20. This data is preliminary in nature and will be subject to revision for inclusion into the Annual Fiscal Report (budgetary basis, unaudited), which is scheduled for release in October 2020.

Based on these preliminary collections, a transfer to the Budget Stabilization fund of \$105.9 million is expected to occur.

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 and State of Wisconsin investor relations web site at:

doa.wi.gov/capitalfinance

wisconsinbonds.com

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

David R. Erdman, Capital Finance Director
State of Wisconsin Capital Finance Office
Wisconsin Department of Administration
101 East Wilson Street, FLR 10
Madison, WI 53703
Phone: (608) 267-0374
Fax: (608) 266-7645
E-mail: DOACapitalFinanceOffice@wisconsin.gov

Websites: doa.wi.gov/capitalfinance
wisconsinbonds.com



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

August 31, 2020

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

FROM: Bob Lang, Director

SUBJECT: Preliminary 2019-20 General Fund Tax Collections

2019-20 General Fund Tax Collections

Preliminary information regarding general fund tax collections for the 2019-20 fiscal year is now available. According to the Department of Revenue (DOR), collections totaled \$17,532.2 million in 2019-20, which was 1.1% higher than the previous year.

The final estimate of tax collections (projected last January and adjusted for subsequent law changes) was \$17,644.8 million. Actual collections were \$112.6 million, or 0.6%, below the estimated amount.

The attached table shows a comparison of the estimated and actual general fund tax collections, along with the differences between the estimated and actual amounts. The figures in the table are based on preliminary reports of 2019-20 tax revenues provided by DOR. Final general fund tax collections, along with departmental revenues and expenditures for 2019-20, will be available in mid-October when the state's Annual Fiscal Report is released by the Department of Administration.

2019-20 Deposit to the Budget Stabilization Fund

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. Under this provision, it is estimated that, for 2019-20, \$105.9 million will be transferred to the budget stabilization fund. That calculation is shown below.

**2019-20 Deposit to the Budget Stabilization Fund
(In Millions)**

Preliminary Actual Tax Collections	\$17,532.2
2019 Act 9 Tax Estimate	<u>-17,320.4</u>
Difference	\$211.8
Difference ÷ 2 for Deposit to the Budget Stabilization Fund	\$105.9

The budget stabilization fund currently has a balance of \$655.9 million. With the transfer shown here, that balance would increase to \$761.8 million, plus whatever interest accrues to the fund.

July, 2020, Corporate Tax Collections Carried Forward to Fiscal Year 2020-21

State income and franchise tax filing deadlines for estimated payments and net final payments due in April, May, and June were extended to July 15, 2020. As a result, \$972 million of such payments were deposited with DOR in July of 2020, which is \$918 million more than similar payments in July of 2019 (\$54 million). Under the state's budgetary cash and modified accrual method of accounting, income and franchise tax returns and estimated payments filed in July may accrue back to state fiscal year 2019-20. All of these amounts accrued to 2019-20, except that a portion of corporate estimated payments were thrown forward and attributed to state fiscal year 2020-21. DOR received \$280 million in corporate estimated payments in July of 2020, which is \$243 million more than was received in July of 2019 (\$37 million).

Under accounting principles applied by DOR, corporate estimated payments received in July of 2020 that relate to a taxable year ending on or before June 30, 2020, are attributed to state fiscal year 2019-20. Any estimated payments related to a taxable year ending after that date are thrown forward to 2020-21. Of the \$280 million in corporate estimated payments received in July, 2020, DOR determined that \$97 million was attributed to 2019-20, and the remaining \$183 million was thrown forward and attributed to 2020-21. This compares to July, 2019, estimated payments of \$37 million, of which \$28 million was thrown forward to the following fiscal year.

The preliminary actual collections are unaudited figures subject to final review by the State Controller's Office prior to publication of the Annual Fiscal Report and the Legislative Audit Bureau prior to publication of the Comprehensive Annual Fiscal Report in December.

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

ATTACHMENT

**Preliminary Information on Actual General Fund
Tax Collections for the 2019-20 Fiscal Year
(\$ in Millions)**

	Fiscal Year 2019-20		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	\$8,888.5	\$8,742.3	-\$146.2	-1.6%
General Sales and Use	5,929.9	5,836.2	-93.7	-1.6
Corporate Income/Franchise	1,502.3	1,607.9	105.6	7.0
Public Utility	358.0	357.2	-0.8	-0.2
Excise				
Cigarette	512.0	523.5	11.5	2.2
Tobacco Products	90.0	91.3	1.3	1.4
Vapor Products	2.3	1.3	-1.0	-43.5
Liquor and Wine	55.0	54.8	-0.2	-0.4
Beer	8.3	8.5	0.2	2.4
Insurance Company	201.0	217.4	16.4	8.2
Miscellaneous	<u>97.5</u>	<u>91.8</u>	<u>-5.7</u>	-5.8
TOTAL	\$17,644.8	\$17,532.2	-\$112.6	-0.6%



State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK ROAD • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX (608) 266-5718
<http://www.revenue.wi.gov>

Tony Evers
Governor

Peter W. Barca
Secretary of Revenue

FOR IMMEDIATE RELEASE

August 31, 2020

CONTACT: Patty Mayers, Communications Director
(608) 266-2300 or DORCommunications@wisconsin.gov

Department of Revenue Collections, Fiscal Year 2020

General Purpose Revenue (GPR) Collections, FY2020

Fiscal Year 2020 Unaudited Final

Amounts in Thousands (\$), rounded

	Actual Fiscal Year 2019	LFB Estimate Jan 2020*	Preliminary FY 2020	Variance From Estimate
Individual Income	8,994,096	8,888,500	8,742,266	(146,234)
General Sales and Use	5,695,548	5,929,924	5,836,215	(93,709)
Corporate Income/Franchise	1,338,063	1,502,300	1,607,873	105,573
Public Utility	364,941	358,000	357,153	(847)
Excise Taxes	661,918	667,600	679,503	11,903
Cigarette	514,273	512,000	523,557	11,557
Tobacco Products	85,521	90,000	91,364	1,364
Vapor Products		2,300	1,320	(980)
Liquor and Wine	53,600	55,000	54,776	(224)
Beer	8,524	8,300	8,487	187
Insurance	194,704	201,000	217,381	16,381
Miscellaneous	92,465	97,500	91,782	(5,718)
Total	17,341,735	17,644,824	17,532,172	(112,652)

This is the GPR estimate published by the Legislative Fiscal Bureau (LFB) on January 23, 2020, modified by subsequent law changes.

General purpose revenue (GPR) tax collections increased 1.1% in fiscal year 2020 (FY20) to \$17,532.2 million. This is 0.6% less than the Legislative Fiscal Bureau's January 2020 estimate, modified for law changes, of \$17,644.8 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, 2020. 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 FY20. Other general purpose revenues and the final general purpose revenue expenditures will have substantial bearing on the final budget balance.

-End-

