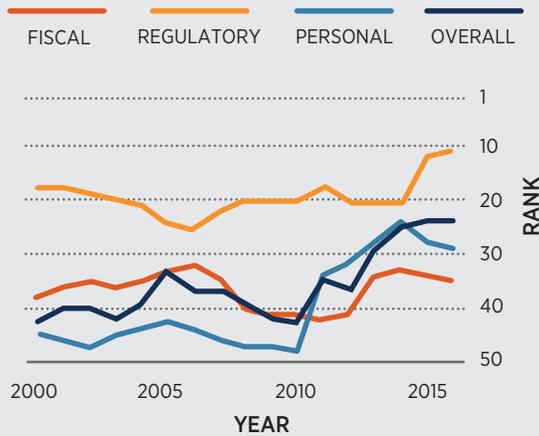


WISCONSIN

2016 RANK
24th



POLICY RECOMMENDATIONS

- **Fiscal:** Reduce the income tax burden while continuing to cut spending on employee retirement and government employment.
- **Regulatory:** Abolish price controls.
- **Personal:** Eliminate teacher licensing and mandatory state approval for private schools.



Population, 2017
5,795,483

Net Migration Rate
-1.5%



State Taxes, Percent of Personal Income, FY 2017
6.32%

Local Taxes, Percent of Personal Income, FY 2015
4.01%

Partisan Lean, 2016
R +1.6



Real Per Capita Personal Income, 2016, in 2009 \$
\$45,679

Real Personal Income Growth, CAGR, 2000-15
2.1%

ANALYSIS

Wisconsin is one of the most improved states since 2010, but a great deal of the credit for that goes to a rise in personal freedom, not just economic freedom.

The Badger State still has higher-than-average taxes, but they have fallen gradually since 2012, more at the local level than the state level. State taxes are projected to be 6.3 percent of adjusted personal income in FY 2017, while local taxes stood at 4 percent of income in FY 2015, right at the national average. Wisconsinites have ample choice among local governments, with more than two effective competing jurisdictions per 100 square miles. State and local debt has fallen almost continuously since FY 2007, but state and local financial assets have also fallen. Government employment is below average and, after spiking in 2010, has fallen back almost to its 2007 nadir. Government share of GDP is 10.9 percent of adjusted income, marginally lower than the national average and lower than it has been every year since 2000. Overall, Wisconsin has seen definite improvement on fiscal policy since 2010, partly because of economic growth and partly because of policy changes. In 2015, Wisconsin's fiscal policy score was actually a bit better than the national average and at its highest level in our whole time series.

On regulatory policy, we do not see much change in recent years. Regulatory freedom grew in 2015 because of a right-to-work law, but the increase was less than the decline that occurred between 2008 and 2011. Land-use freedom is a bit better than average; local zoning has not gotten out of hand, though it has grown some since 2007. The state has a renewable portfolio standard, which was toughened in 2015. Apart from a right-to-work law, Wisconsin was already reasonably

good on labor-market policy. Health insurance regulation is a bit better than average because of low mandates. Cable and telecommunications have been liberalized. Occupational licensing increased dramatically between 2000 and 2006; still, the state is about average overall on extent of licensure. Nurse practitioners enjoy no independent practice freedom. Insurance freedom is generally good, at least for property and casualty lines. The state has a price-gouging law, and it also has controversial, strictly enforced minimum-markup laws for gasoline and general retailers. The civil liability system is above average and improved significantly since 2010 because of a punitive damages cap.

Wisconsin is below average on criminal justice policies, but it has improved substantially since 2010 because of local policing strategies. The incarceration rate has fallen, as have nondrug victimless crime arrests. The state's asset forfeiture law is one of the more reasonable in the country, although it could still stand improvement, and equitable sharing revenues tend to be lower than average as well. Tobacco freedom is extremely low because of airtight smoking bans and high taxes. Educational freedom grew significantly in 2013-14 with the expansion of vouchers. However, private schools are relatively tightly regulated. There is little legal gambling, even in social contexts. Cannabis law is unreformed. Wisconsin is the best state for alcohol freedom, with no state role in distribution, no keg registration, low taxes (especially on beer—imagine that), no blue laws, legal happy hours, legal direct wine shipment, and both wine and spirits in grocery stores. The state is now better than average on gun rights after the legislature passed a shall-issue concealed-carry license (one of the last states in the country to legalize concealed carry) and repealed a waiting-period law.