

ECONOMIC SNAPSHOT

Individuals pay most of the federal taxes in Wisconsin

It is that time of year again — tax time.

According to the Internal Revenue Service, over 2.6 million individual federal tax returns were filed by Wisconsin residents in 2006. Last year, the IRS collected \$34.9 billion in individual income and employment taxes from Wisconsin residents. Individuals paid 83.4 percent of all federal tax collections from Wisconsin, compared to 81.5 percent nationally. Corporate income taxes (\$6.1 billion) comprised 14.6 percent of total federal taxes from Wisconsin (15.1 percent nationally). The remainder consisted of estate, gift and excise taxes.

The total federal taxes from Wisconsin are equivalent to \$7,502 for every resident of the state of Wisconsin and compares to a national average of \$8,379

Federal taxes collected nationally Fiscal year 2006



* Employment taxes include Social Security, Medicare, FICA, unemployment, SECA and railroad retirement taxes

in federal taxes per capita.

In 2006, over 2 million Wisconsin residents received refunds from the IRS. That is equivalent to 79.2 percent of the total individual returns filed from Wisconsin. Refunds to Wisconsin individuals totaled \$3.9 billion or an average of \$1,860 per refund. The national average refund was \$2,246.

Nearly two-thirds of the individual returns filed from Wisconsin were filed electronically. Nationally, approximately half of the individual returns were filed in 2006.

Tax data from the 2006 Internal Revenue Data Book can be downloaded free at:
<http://www.irs.gov/taxstats/index.html>

Part 1 of this month's series on taxes

Next week:
Where your taxes go

Economic Snapshot is a weekly feature provided by the Center for Community and Economic Development, University of Wisconsin Extension.

QUESTIONS: Contact Bill Pinkovitz, Center for Community and Economic Development, University of Wisconsin Extension at bill.pinkovitz@uwex.edu.

UW
Extension