



Division of Research and Policy
November 20, 2021

State School Levies Credit

The state school levies credit provides direct relief to taxpayers by reducing the amount owed on their property tax bills.

Background

Property tax credits were first paid in the 1962-63 property tax year. From 1962-63 to 1980-81, two credits were paid: a general property tax relief credit (GPTR) for real property taxes and a personal property tax relief credit (PPTR) for personal property taxes. For 1976-77 to 1980-81, the PPTR was partly used to fund the phase-in of the property tax exemption for merchants' and manufacturers' inventory and farmers' livestock.

From 1981-82 to 1985-86, the credit was known as the Wisconsin state property tax relief (WSPTR) credit, and several formulas were used based on school levies, non-school levies, and total levies.

For 1986-87 and 1987-88 three credits were paid: a general government levies credit, a school levies credit, and a school aid credit.

From 1988-89 to 1991-92, two credits were paid: a school levies credit and a general government levies credit.

Since 1992-93, the credit has been based solely on school levies, which is why the credit is referred to as the state school levies credit. Property tax credits traditionally were shown on tax bills as a subtraction from total taxes due. However, beginning in 1996-97, the credit has been subtracted from the school levy, with the credit amount shown separately on the tax bill.

Payment

The school levies credit is allocated to municipalities based on their share of statewide school levies during the previous three years. The credit on 2020-21 tax bills is based on school levies for 2018-19, 2019-20, and 2020-21. School levies include taxes for K-8, union high, and K-12 school districts plus levies for county-operated schools for children with disabilities. If a municipality uses surplus funds to reduce the levies of other jurisdictions, school levies for credit purposes in that municipality are reduced by a pro-rata share of such surplus funds.

Municipalities are notified on or before November 20 of the credit payment they will receive in the following year. Municipalities allocate the credit to individual taxpayers in proportion to the taxpayer's share of the municipality's total assessed value. If a taxpayer chooses to pay their bill in installments, the credit is applied equally to each installment. The state pays the credit on the fourth Monday in July. The municipality treats the credit as general property tax collections paid by taxpayers.

The school levies credit increased to \$940,000,000 in 2017-18. Future years' credit will remain at this level until changed by the Legislature. Beginning with the 2008-09 tax year, the school levies credit and [first dollar credit](#) are funded from the same appropriation—[Wis. Stat. 20.835\(3\)\(b\)](#).

The 2021-22 credit represents about 18.07% of average school levies for the past three years. Credit payments since 1992-93 are summarized below:

| Property Tax Year | Credit Payment (\$)¹ | Average School Levies (\$) | % Average School Levies Paid as Credit |
|-------------------|----------------------|----------------------------|--|
| 1992-93 | \$319,305,000 | \$ 2,367,761,098 | 13.49 |
| 1993-94 | 319,305,000 | 2,596,608,996 | 12.30 |
| 1994-95 | 319,305,000 | 2,808,202,871 | 11.37 |
| 1995-96 | 319,305,000 | 2,950,851,610 | 10.82 |
| 1996-97 | 469,305,000 | 3,010,602,873 | 15.59 |
| 1997-98 | 469,305,000 | 2,857,018,970 | 16.43 |
| 1998-99 | 469,305,000 | 2,722,505,592 | 17.24 |
| 1999-00 | 469,305,000 | 2,627,505,592 | 17.86 |
| 2000-01 | 469,305,000 | 2,716,980,665 | 17.27 |
| 2001-02 | 469,305,000 | 2,829,731,149 | 16.58 |
| 2002-03 | 469,305,000 | 2,941,843,500 | 15.95 |
| 2003-04 | 469,305,000 | 3,074,722,651 | 15.26 |
| 2004-05 | 469,305,000 | 3,222,198,160 | 14.56 |
| 2005-06 | 469,305,000 | 3,403,006,183 | 13.79 |
| 2006-07 | 593,050,000 | 3,537,405,254 | 16.77 |
| 2007-08 | 672,400,000 | 3,676,947,704 | 18.29 |
| 2008-09 | 747,400,000 | 3,828,329,232 | 19.52 |
| 2009-10 | 747,400,000 | 4,056,264,139 | 18.43 |
| 2010-11 | 747,400,000 | 4,306,263,288 | 17.36 |
| 2011-12 | 747,400,000 | 4,514,798,055 | 16.55 |
| 2012-13 | 747,400,000 | 4,637,069,666 | 16.12 |
| 2013-14 | 747,400,000 | 4,676,473,738 | 15.98 |
| 2014-15 | 747,400,000 | 4,676,371,043 | 15.98 |
| 2015-16 | 853,000,000 | 4,712,375,399 | 18.10 |
| 2016-17 | 853,000,000 | 4,777,804,209 | 17.85 |
| 2017-18 | 940,000,000 | 4,832,905,497 | 19.45 |
| 2018-19 | 940,000,000 | 4,896,050,907 | 19.20 |
| 2019-20 | 940,000,000 | 4,987,949,001 | 18.84 |
| 2020-21 | 940,000,000 | 5,057,450,626 | 18.59 |
| 2021-22 | 940,000,000 | 5,202,207,275 | 18.07 |

¹ [Wis. Stat. 79.14](#) specifies the credit payment amount.