

# SCHOOL LEVIES RISE MORE RAPIDLY, COUNTY LEVIES SLOW DOWN

*Gross K-12 property taxes in Wisconsin are expected to rise by the largest amount since 2009, spurred both by per pupil revenue limit increases and a historic number of approved school district referenda. County property taxes, meanwhile, will rise by the lowest amount in the last decade, leaving state residents with overall increases to their property tax bills that are in line with those of recent years and possibly even less than last year.*

The property tax levies for K-12 schools will rise \$327.2 million on bills mailed out this month to taxpayers, according to preliminary data from the Wisconsin Department of Revenue (DOR). The increase of 5.7% over last December’s gross property tax bills is the highest since 2009, but not far above last year’s 5.4% increase (see Figure 1).

These data reflect the outsized impact of school referenda on property tax levels. [Last month](#), we found that 2024 set records for both the number of school district referenda held (241) and passed (169), and voters in nearly two-thirds of public school districts have approved at least one referendum since the beginning of 2021. Since then, a total of 390 referenda have been

approved to increase district property taxes beyond state limits.

County property taxes, meanwhile, will rise just 1.3% on the latest bills – the smallest increase in the last decade. Levies for the state’s 16 technical colleges will rise by 3.3% to \$516.0 million, and special district property taxes will grow by 4.0% to \$136.4 million. Both increases are slightly smaller than those that took place in 2023. Data are not yet available for municipal or tax increment financing (TIF) districts, which make up the remainder of local property tax levies. For now, the overall property tax increase this year appears in line with recent years and might even be less than last year.

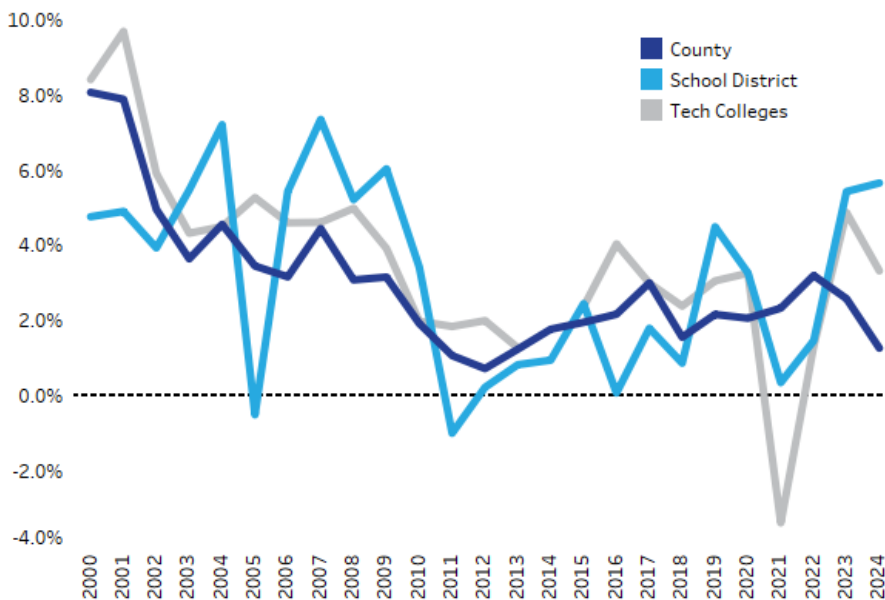
In this annual look at local levies, we review preliminary property tax data for school districts, counties, and technical colleges to give readers a sense of how their bills this year might look compared to last year. The DOR data represent gross property tax levies, meaning they do not account for state credits that reduce net tax bills for Wisconsin residents. Readers also should note that this year’s property tax increases come amidst a [longstanding trend](#) of a falling state and local tax burden for Wisconsin residents.

## STATE BUDGET, REFERENDA DRIVE K-12 TAXES HIGHER

K-12 schools account for just under half of all local property tax levies in Wisconsin in any given year. This year,

**Figure 1: K-12 Property Taxes Grow Again, While County Growth Slows**

% change in property tax levies by year, 2000 to 2024



Source: Wisconsin Department of Revenue



districts will levy \$6.10 billion, an increase of 5.7% from \$5.77 billion last year.

There are several drivers of this increase. First, in the 2023-25 state budget, lawmakers agreed to increase the state’s per pupil revenue limit by \$325 in both the 2023-24 and 2024-25 school years after freezing them for the previous two years amid high inflation. The limit governs how much revenue schools can raise from state general school aids and property taxes combined – the two largest sources of K-12 revenue. In general, the larger the revenue limit increase, the larger the property tax increase – unless state lawmakers also significantly raise general school aids. General school aids rose by \$224.9 million from 2023-24 to 2024-25, which appears to have not been enough to stave off levy increases.

The second driver of the large K-12 property tax increase is referenda. As noted earlier, nearly 400 referenda have passed in just the last four years, including 169 in 2024 alone. Our [November brief](#) tied these record numbers to the impacts of inflation and previously lagging revenue limit increases, among other factors. An approved referendum means voters agree to have their own property taxes raised either to fund school district operational priorities or to finance the debt needed for capital projects. The data show the impact: in the 275 districts that have passed at least one referendum since the beginning of 2021, K-12 property taxes will rise by 7.6% in 2024. In the

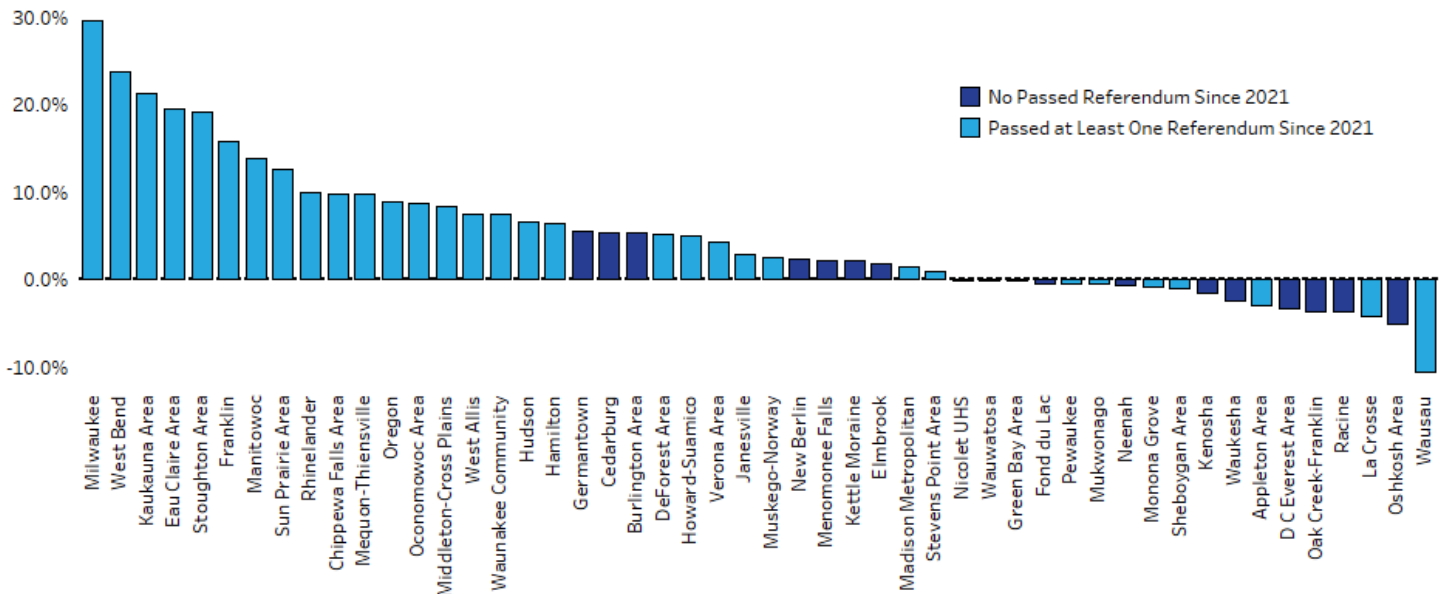
remaining districts, levies will also rise, but by a much smaller 1.0%.

Furthermore, of the 50 districts with the largest 2024-25 property tax levies, only 15 have *not* passed at least one referendum since the beginning of 2021. Their increases have been limited compared to the other 35 districts: Only seven of the 15 will increase property taxes in 2024 and none by more than Germantown’s 5.6%. Of the remaining districts that did pass at least one referendum, 28 will increase their levy, including 18 by a higher percentage than Germantown and nine by at least 10% (see Figure 2). On a year-to-year basis, without a referendum passing, most districts will not see property tax increases of more than a few percentage points.

No district will increase its property taxes by more than Milwaukee Public Schools (MPS), whose 29.6% increase amounts to \$94.7 million, or more than a quarter of the total statewide levy increase. In April, the district passed a \$252 million recurring operating referendum. At the time, the Forum noted that the impact of this referendum would be largest on December’s bills and then smaller over the following three years. For more on the MPS referendum, see our [March 2024 brief](#).

When MPS learned this spring that its 2024-25 state aid would be reduced due to errors in prior year financial reporting, some worried that the district would

**Figure 2: Largest K-12 Property Tax Increases for Districts That Recently Passed a Referendum**  
Percentage change in property tax levy from 2023 to 2024, 50 largest K-12 districts by levy total



Sources: Wisconsin Department of Revenue, Wisconsin Department of Instruction, Wisconsin Policy Forum analysis of county elections websites



further add to its levy to make up the difference. In the end, the district addressed its budget gap by reducing its extension fund levy (which helps pay for community services and Milwaukee Recreation) and increasing its operating levy by a corresponding amount. That limited the increase to this year's overall levy. MPS officials say that the shift in levy will not affect recreation services this year thanks to one-time use of the extension fund's reserves.

Another potential factor adding to K-12 levies is the growth in enrollment and payments for the state's private choice programs. Under the state's complicated school funding system, this growth can contribute to local property tax increases.

Last, the state budget increased the school levy tax credit by \$80 million this year. This funding cannot be spent by school districts; it instead goes toward lowering net tax bills for property owners. The funding could have been used instead to further raise general school aids, which would have provided more assistance to districts with low property values and less help to districts with high values.

### COUNTY, TECH COLLEGE, AND SPECIAL DISTRICT LEVIES

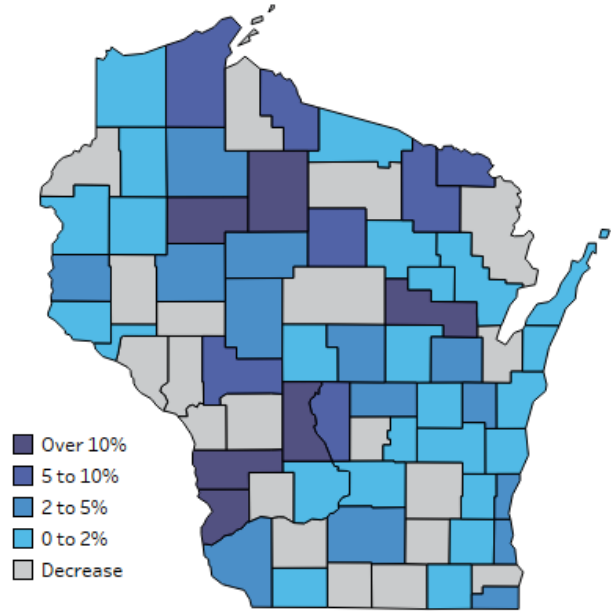
Preliminary data show county property tax levies increasing by \$31.9 million, or 1.3%, from \$2.52 billion in 2023 to \$2.55 billion in 2024. This would be the lowest year-over-year increase to county property taxes since 2013, though it would not be greatly out of line from the regular 1% to 3% increases in nearly every year since the Great Recession.

Most counties, including the two with the largest levies (Milwaukee and Dane), will increase property taxes between zero and 5% relative to 2023 levels. Just 13 will increase levies by more than that amount – including six smaller counties that will raise levies by more than 10%. An additional 20 counties will decrease their levy, including a number of counties with sizable levies such as Brown, Rock, La Crosse, Racine, and Eau Claire (see Figure 3). Preliminary data are not yet available for Menominee County, which last year had the smallest levy of any county in Wisconsin; in this piece, we assume its levy did not change.

While the 1.3% levy increase for counties is not historically unusual, it is low relative to increases over the last decade. County levies rose by 3.2% in 2022

**Figure 3: Many Counties Decrease Property Taxes**

Change in property tax levy from 2023 to 2024 by county



Source: Wisconsin Department of Revenue

and 2.6% in 2023, which were among the larger increases in recent years, so it is possible that counties simply did not need to increase property taxes as much in 2024.

Inflation is another possible factor. From late 2021 to mid-2023, inflation levels in the U.S. were among the highest in recent memory. To remain competitive in the labor force, governments (including Wisconsin counties) had to raise wages more rapidly than they had in the past. For example, Dane County's 2024 [budget](#) (passed in 2023) included a fairly large 4.5% wage increase for all non-union employees. If a county raised wages in 2023 or 2024, it might be less inclined to do so again in 2025 or might do so by a lesser amount.

Finally, Wisconsin Act 12 is impacting all counties and municipalities to varying degrees. This law and the accompanying state budget significantly raised the amount of aid the state pays to local governments and tied future increases in that aid to the growth in state sales tax collections. It was negotiated and approved after state aid had remained stagnant for many years. This increase in aid may have limited the need for some counties to raise property taxes.

Technical college levies will rise by 3.3% from \$499.4 million in 2023 to \$516.0 million this year. That is a smaller increase than the 4.9% jump last year but is in line with increases from 2019 and 2020. Special



districts – local governments that provide more narrow ranges of services such as sewerage, sanitation, and lake management – will increase their levies by 3.6% to \$136.4 million. Nearly 85% of the statewide special district levies total goes to the Milwaukee Metropolitan Sewerage District, which increased taxes by 3.0%. Fewer than half of all special districts levy a property tax at all.

## CONCLUSION

The estimated net effect of these individual levies – using Legislative Fiscal Bureau projections for how much municipal and TIF levies might increase – is that Wisconsinites can expect total gross local property taxes to rise by about 4.0% on this year’s bills, though the precise amount will vary throughout the state. This would be a drop from last year’s 4.7% increase, but still higher than in most recent years. Last year, the state also significantly increased the main state tax credit to lower net property tax bills. This year’s increase in the credit is much smaller, so it will do less to lower the net bills for taxpayers.

The rise in gross levies this year is driven primarily by increases to K-12 property taxes – the largest local property tax most residents will pay. The \$325 increase to per pupil revenue limits in the current state budget is one factor, but so was the willingness of many referendum voters to accept higher property taxes to fund their public schools.

For counties and municipalities, additional state aid from Act 12 and the calming of inflation may be helping to allow for lower property tax increases on December bills than in recent years. However, labor market pressures have not fully dissipated and these governments no longer have access to federal pandemic aid. Additionally, sales tax collections – a major revenue source for counties – have not been as robust [this year](#) as in the recent past.

Property tax increases draw understandable concern from home and business owners. Yet as we recently noted, [state and local taxes in Wisconsin](#) have been falling as a share of personal income in the state and reached a record low in 2022 (the most recent year of available data). The state ranked third nationally for state and local taxes as a share of income in 2000, but by 2022 had fallen to 35<sup>th</sup>. Spending on public services

such as K-12 education has also fallen as a share of personal income.

Local referenda have allowed some districts to resist these trends, but the rise of ballot measures has led to higher property taxes and may also be exacerbating differences between those districts that succeed in passing them and those that do not. As the 2025-27 state budget debate approaches, lawmakers and the governor may wish to consider ways to balance the goal of controlling local property taxes while at the same time ensuring an adequate education for children across the state.

