

THE ISSUES

CREDA WISCONSIN PUBLIC POLICY SERIES

The Issues *will be an ongoing series from CREDA Wisconsin's Public Policy Committee and leadership, offering short, plain-spoken briefs that highlight the real challenges facing Wisconsin's commercial real estate industry — and the practical policy work CREDA is doing to address them. Each brief will cover one issue, explain why it matters, and share how CREDA is engaging through advocacy, research, and member input. The goal is to build a living library of reports that members can access, react to, and help shape over time. The Issues will give members, partners, and policymakers a clear window into the problems we're tackling and the progress we're making together.*

The Issues Paper #2 - Property Taxes

Property taxes are one of the largest recurring costs of owning and occupying real estate. They affect rent, value, financing and whether a project gets built.

Wisconsin spent the last 15 years attempting to move away from its reputation as a high-tax state. Levy limits, school revenue limits, Act 10 and disciplined state budgeting all contributed to that change. Property taxes fell from 10th-highest nationally as a share of personal income in 2000 to 21st-highest in 2023, while Wisconsin's overall state and local tax burden fell to 34th-highest. Yet a separate homeowner measure still places Wisconsin 10th-highest, and the latest levy data are moving in the wrong direction.

If property taxes again become an unchecked cost, we should not be surprised when capital goes somewhere else. As we look to 2027 and beyond, will Wisconsin protect the conditions needed to invest here, or make the next project easier to build somewhere else? [1][2]

What Wisconsin Fixed and What is Slipping

1. The reforms adopted after 2010 placed clearer limits on state and local costs. Act 10 gave public employers additional tools to manage compensation and benefit expenses. Separate levy-limit laws generally tied municipal, county and technical-college levy growth to net new construction, while school revenue limits constrained the combination of general aid and property taxes. Those policies did not eliminate local services or local choice; they made the cost of those choices more visible. [1][3]

2. Three pressures are now pushing property taxes higher: the growing use of operating and capital referenda, the annual $325-per-student increase in school spending authority created by the 2023 Governor Evers partial veto, and the ongoing effort to overturn Act 10.

3. The "400-year veto" does not automatically raise property taxes. It allows school districts to increase their revenue limit by an additional $325 per student each year through 2425. That revenue must come from either state aid or local property taxes. When the state does not provide additional general aid, districts must rely primarily on property taxes to use the added authority. [3][4]

4. The pressure is already visible. **Gross property-tax levies on December 2025 bills increased 5.8%, the largest statewide increase in nearly two decades. K-12 levies increased 7.8%, the largest increase since 1992.[2][3]**

The competitive difference is significant. Tax Foundation's 2026 comparison places Wisconsin's effective tax rate on owner-occupied housing at 1.32%, 10th-highest nationally, compared with 0.66% in high growth state North Carolina. Applied to a $500,000 owner-occupied property, that is approximately $6,600 per year in Wisconsin versus $3,300 in North Carolina. [5]

The Largest Looming Threat: Act 10

Act 10 remains law, but the legal issue is not settled. In July 2026, the Wisconsin Court of Appeals reversed a lower-court ruling and upheld the law; further review by the Wisconsin Supreme Court is possible. Act 10 has also become a defining issue in the 2026 statewide elections. Candidates for statewide office, including gubernatorial, have publicly called for its repeal. Overturning Act 10 would not instantly recreate every pre-2011 contract or produce a single, knowable statewide levy increase. It could, however, reopen bargaining over wages, benefits and work rules for many public employees.

For schools and local governments operating under fiscal limits, resulting cost increases would have to be met through some combination of state aid, property taxes, fees, service reductions or referendums. The amount and timing cannot be responsibly projected, but no other pending issue carries the same potential to alter the cost structure of local government statewide. [6]

A Growth State Contrast: North Carolina

Property taxes are a key cost for residents and businesses. They are also regressive when measured against current income: ITEP estimates that property taxes consume 4.7% of income for the lowest-income 20% of non-elderly Wisconsin households, compared with 1.1% for the top 1%. Seniors are excluded from that study, so the data should not be used to quantify their burden. [7]

North Carolina provides a useful competitive contrast of a high growth state. Its effective owner-occupied property-tax rate is about half Wisconsin's. It also grew approximately 1.3% from

July 2024 to July 2025, adding about 146,000 residents, and led the nation in domestic migration in 2025 with roughly 84,000 net arrivals. Many factors drive that growth, but recurring property costs are part of the value proposition families, employers and developers compare. Growth then broadens the tax base, spreads fixed costs and creates revenue without requiring the same increase in rates. [5][8][9]

Referenda Local Control with Guardrails

Property taxes fund the local services residents and businesses expect, with K-12 education accounting for nearly half of statewide property-tax levies. Wisconsin's referendum process is cumbersome, but it provides local control in its most direct form. Levy and school revenue limits preserve discipline while allowing voters to approve spending above those limits. [3][10]
The process loses credibility when a referendum becomes a salesmanship exercise rather than a decision about a defined need. Voters may be presented with the most expansive version of a capital plan, sometimes to win approval and sometimes to establish an anchor that makes a later, smaller proposal appear reasonable. In 2024, Wisconsin school districts placed 241 referenda seeking $5.9 billion before voters; 169 passed, authorizing $4.4 billion. [10]

If a community wants a new school, public-safety building or city hall and voters approve it, that decision should stand. The issue is whether voters receive a complete and balanced picture. Many communities already provide project costs and estimated tax impacts, but the quality and completeness of that information vary. Major referenda should present the need, practical alternatives, total principal and interest, ongoing operating costs, and the effect on representative residential and commercial tax bills. If a proposal fails, taxpayers should not be asked to reconsider substantially the same project at the next election without a meaningful change in scope, cost or circumstances.

CREDA Priorities for 2027-28

1. Protect Act 10's fiscal tools. Support the law and oppose legislation to repeal it.
2. End the "400-Year Veto." Repeal the 2425 provision. A permanent increase in school revenue authority was never negotiated as long-term policy and should not remain in place without legislative debate and approval.
3. Preserve disciplined levy limits. Tie levy growth to net new construction and a reasonable inflation measure, with narrowly defined exceptions for voter-approved infrastructure and public-safety needs.
4. Strengthen referendum accountability. Before seeking additional tax authority, require practical alternatives, independent cost validation, full debt and operating costs, representative tax impacts, and documented efforts to reduce costs or consolidate services.
5. Target relief to those being priced out. Focus relief where property taxes consume a disproportionate share of household income, particularly for seniors and working families. Stable, affordable communities protect the workforce, housing demand and development environment on which CREDA members depend.

But First Do No Harm

1. Do not shift the bill and call it relief. Higher sales taxes, income taxes, special assessments or fees change who pays; they do not reduce the underlying cost of government.

2. Do not layer new taxes on top of the existing burden. Milwaukee demonstrates the concern: its new local sales taxes addressed legitimate pension, public-safety and fiscal pressures but did not guarantee a dollar-for-dollar reduction in property taxes. Any new local revenue option should include an enforceable property-tax offset so taxpayers are not simply left paying more through a different tax. [11]
3. Do not rely on state credits as tax reform. Wisconsin already uses several state-funded credits to reduce selected property-tax bills. Those credits may provide meaningful relief, but they do not control the underlying levy and several primarily benefit qualifying residential property. CREDA supports structural levy restraint that lowers the actual cost of owning and developing property. [12]

The Path Forward

Property taxes are a significant part of the expense stack for homeowners, businesses and commercial real estate occupiers. They directly affect affordability, operating costs and where capital is invested. They also fund the schools, infrastructure, public safety and local services that residents and businesses demand.

CREDA understands the revenue challenges facing local governments. The answer is not to abandon the tools that improved Wisconsin's tax position. Levy limits, Act 10 and voter-approved referenda are working. They provide discipline while preserving local control.

Wisconsin's most sustainable source of new revenue is growth. More homes, shopping centers, office buildings and manufacturing plants expand the tax base and spread the cost of local services. Growth is the foundation of sustainable funding. Our priority should be to protect the reforms that are working, improve transparency and make Wisconsin a place where development can continue to create the revenue our communities need.

This brief was authored by Jeff Hoffman, CREDA Wisconsin Public Policy Co-Chair, and was researched through Chat GPT against the sources listed on the next page. **Thank you, Jeff!**

We want to hear from you! If you would like to share additional information, a different perspective, or do you want to be involved in our public policy work? Please contact Jim Villa (jim@credawi.org) at CREDA Wisconsin.

Paper Sources

*This brief was authored by **Jeff Hoffman**, Cushman Wakefield|Boerke Company and CREDA Wisconsin Public Policy Co-Chair, and was researched through Chat GPT against the following sources:*

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