

Institute for Reforming Government: Wisconsin aces manufacturing industry

Posted on Friday, Oct 4, 2019

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Policies states can apply to grow their own manufacturing industry

Madison, Wis. — The Institute for Reforming Government issued its most recent policy paper, “Wisconsin Leads The Way In Manufacturing,” today. In 2016 and 2017 Wisconsin ranked 2nd in the nation for manufacturing job growth. If states around the country want to create pro-growth policies that work for companies and hardworking families alike, lawmakers and state governments should study how Wisconsin has stewarded an “open for business” mentality.

“Wisconsin’s outstanding manufacturing industry not only provides excellent jobs for hard-working families, it tells companies that Wisconsin is open for business. Creating an environment that would attract economic growth was a priority for Governor Walker and the legislature and other states need to look no further than the results – thousands of jobs and increased business growth. These are the kinds of forward-thinking policies other states can learn from to boost industries in their own states,” said Rob McDonald, Chairman of the Board for the Institute for Reforming Government.

Highlights from the “Wisconsin Leads The Way In Manufacturing” policy paper are below:

By The Numbers:

The Wisconsin Economic Development Corporation (WEDC) statistics on

manufacturing in Wisconsin:

- “...Wisconsin has more than 9,300 manufacturers in the state that employ over 460,000 workers (16 percent of the state’s total employees) ... and these manufacturers produced over \$56 billion worth of output in 2016, accounting for 18 percent of the state’s gross domestic product...”
- “There are more than 9,437 manufacturing establishments...”
- There is an “88% greater employment concentration [in manufacturing] than [the] national average,” which makes Wisconsin the “2nd largest manufacturing concentration” in the nation

Fabrication Laboratories:

- Since the initial grant recipients were first announced in 2016, the last two governors have announced approximately \$500,000 to more than 20 school districts, each year, in 2017, 2018, and 2019 “to establish or expand local fabrication laboratory (Fab Lab) facilities.”

Tax Credits:

- In the 2011-13 Budget, Wisconsin legislators created the concept that would become known as the Manufacturing and Agriculture Credit. As explained by the Department of Revenue (DOR), this credit “...is available to claimants that derive qualified production activities income from property located in Wisconsin that is assessed as either manufacturing or agricultural...”
- For several years, the State’s Chamber of Commerce, Wisconsin Manufacturers & Commerce (WMC), has advocated for “[r]evitalizing the R&D credit, ” which would be accomplished by “...[e]nsur[ing] the state R&D tax credit is useful to companies that make significant research investments in Wisconsin by allowing currently unusable credits to become refundable.”

The “Wisconsin Leads The Way In Manufacturing” policy paper can be found [here](#).

IRG has also issued policy papers on [Medicaid reform](#), [regulatory reform](#) and a [policy proposal for state-based tax reform](#) based on successful policies not only in Wisconsin but across the country.