

New report examines tax incremental financing

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A study from the Wisconsin Policy Forum finds Milwaukee has upped its usage of tax incremental financing to drive private investment in new developments.

Between 1999 and 2018, the report shows the city's share of property in tax incremental districts grew from 1.9 percent to 6.4 percent, only hitting the statewide average for the first time in 2018.

But since 1999, Milwaukee use of tax incremental financing has grown nearly twice as fast as the statewide average.

Compared to other large cities in Wisconsin, Milwaukee leans on TIF more than Madison, Racine and Eau Claire, which all have 3 percent or less of property in TIDs. Kenosha uses TIF the most, with 10.4 percent. Importantly, this report does not include the major TIF investment in Racine County for Foxconn.

In general, smaller cities and villages in the state tend to use TIF at higher rates, the report shows.

Wisconsin's TIF law was first enacted in 1975, allowing municipalities to lean on future increases in property tax revenue within a designated district to make public investments, with a goal of boosting private development.



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