

# Wisconsin Budget Project: Wisconsin's property tax code, which never mentions race, is slanted in favor of white Wisconsinites

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Our state and local tax code does not mention race. And yet it systematically demands that people of color pay a higher share of their income in taxes than white residents, showing that policies don't have to explicitly mention race in order to have racially discriminatory consequences.

The racial preferences that are baked into Wisconsin's property tax code take the form of very large property tax credits that give bigger tax breaks to homeowners than to renters, even though both groups pay property taxes. At the state level, Wisconsin spends more than a billion dollars a year on these tax credits. [A new report from the Wisconsin Budget Project](#) shows how our slanted tax system contributes to Wisconsin's enormous racial disparities by saddling residents of color with an unfair economic burden.

Historic and current practices have set up roadblocks to homeownership for residents of color, lowering their homeownership rate. Almost three-quarters of Whites residents own their own homes, something that is true of less than a third of African-American residents, and less than half of Latinx (41%), Asian (45%), and Native American (47%) residents.

Because the state provides larger financial benefits to homeowners than to renters—and because White residents are more likely to own their own home—White residents get a larger share of property tax credits that give preference to homeowners, and therefore pay lower property taxes than they

otherwise would. Residents of color have to make up the difference.

For Wisconsin's economy to work for everyone, we need a tax system that takes an active role in undoing the legacy of racial discrimination that makes it difficult for many families of color to thrive. Right now, Wisconsin's tax system isn't living up to its potential to be a powerful tool in promoting equitable opportunity. With targeted reforms, state and local tax policies can expand opportunity and ensure that public resources are invested in a way that broadly benefits everyone. Our [\*\*Reimagine Wisconsin\*\*](#) agenda lays out a plan for creating an equitable economy, including [\*\*recommendations for building an equitable and sustainable tax system\*\*](#).

Read more about how property tax policy contributes to racial disparities in our state: [\*\*Wisconsin's Property Tax Code, Which Never Mentions Race, is Slanted in Favor of White Wisconsinites\*\*](#)