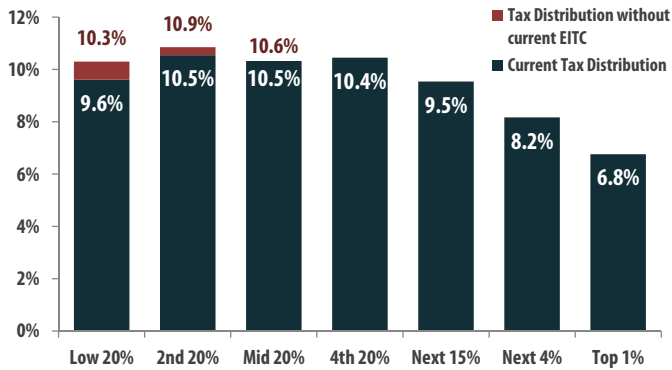


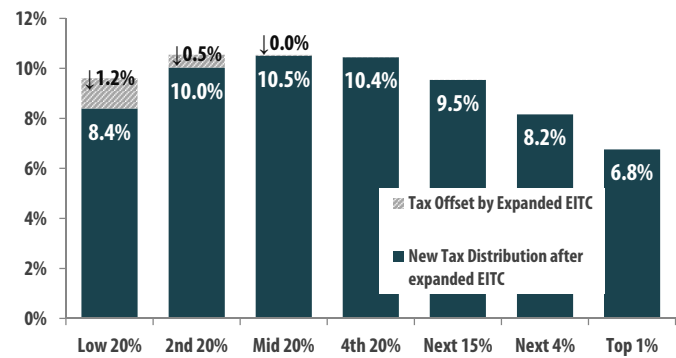
Current policy: Fully refundable state EITC based on number of children, worth 4% of the federal EITC for those with one child, 11% of the federal EITC for those with two children, and 34% of the federal EITC for those with three or more children. Cuts in 2011 brought the two-child credit down from 14% and the three-child credit down from 43%. State EITC eligibility rules do not conform with recent improvements at the federal level.

Income Group	Low 20%	2nd 20%	Mid 20%	4th 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$21,000	\$21,000 – \$36,000	\$36,000 – \$57,000	\$57,000 – \$86,000	\$86,000 – \$150,000	\$150,000 – \$362,000	\$362,000 – Or More
Average Income in Group	\$13,200	\$28,100	\$46,700	\$70,700	\$108,300	\$208,200	\$887,500

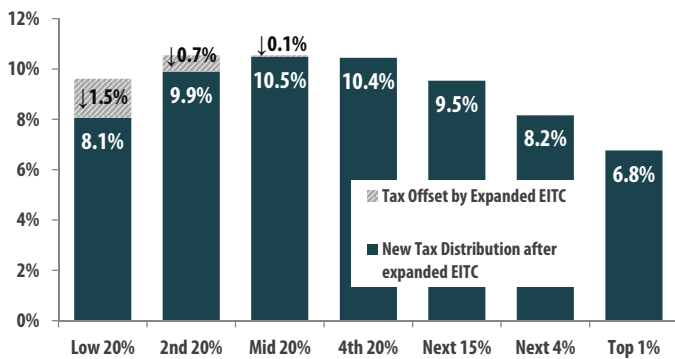
Current Distribution of Wisconsin's State & Local Taxes* (with impact of current EITC)



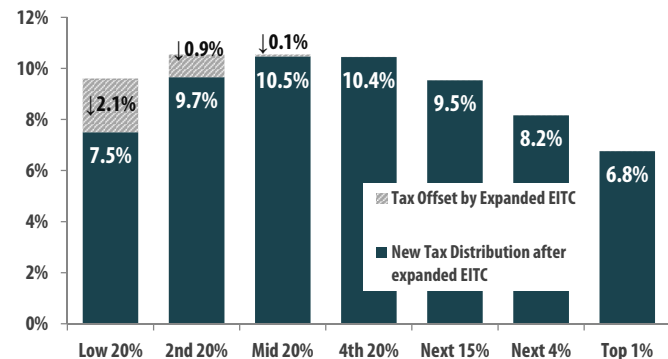
1) First Fix: Offer 34% Refundable Credit to all Family Sizes



4) Increase Credit to 40% Refundable for all Eligible



5) Increase Credit to 50% Refundable for all Eligible



*The baseline distribution of taxes used in this report has been modified from the published *Who Pays?* results to reflect a reduction in personal income tax rates passed in the 2013 legislative session. The figures represent total state and local taxes as a share of income, post-federal offset. Due to rounding, the new tax distributions shown may not always precisely equal the current distribution minus the EITC offset.