

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2009

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THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY09

A. INTRODUCTION

The Homestead Tax Credit Program was established in June of 1964 to mitigate the impact of high real estate taxes on low-income households by providing direct property tax relief through a circuit-breaker mechanism.

The underlying principle of a circuit-breaker is that property taxes exceeding a certain percentage of income constitute an overload to the taxpayer and should be offset at least partially with state-funded assistance. Assistance in this case takes the form of a refundable credit that can be applied against state income taxes due or received as a cash rebate. Wisconsin pioneered this method of relating property taxes to income in determining the amount of relief.

A total of 231,124 Wisconsin tax filers claimed Homestead credits amounting to \$121.4 million in FY09. The average credit was \$525.

B. DESCRIPTION OF CREDIT PROGRAM

The amount of the credit is determined by a claimant's household income and property taxes. The maximum credit is \$1,160 for those with household income of no more than \$8,000 and property taxes of \$1,450. The amount of the credit phases out as income surpasses \$8,000 and no credit is available for those with income over \$24,500. The \$24,500 income ceiling used in the Homestead formula was unchanged from 2001 to 2009. The property tax ceiling of \$1,450 and income threshold for the maximum credit of \$8,000 were unchanged from 1991 to 2009 and 1990 to 2009, respectively. Beginning in 2010, these three factors will be indexed for inflation.

1. Eligibility Criteria

The basic requirements for Homestead relief relate to age and income. To qualify for benefits on claims filed in 2009, for property taxes accrued in 2008, a person must own or rent his or her residence, be at least 18 years of age, and have household income of not more than \$24,500. For renters, 25% of rent paid or accrued (or 20% if the rent includes heat) is considered property taxes for purposes of computing the credit.

"Household income" is broadly defined as total cash income, less \$250 for each dependent. It includes taxable income from all sources, such as wages and salaries, interest and dividends, and pension and annuity income. It also includes most nontaxable transfers, such as social security, railroad retirement benefits, veterans' pension and disability payments, public assistance, court-ordered support payments, scholarships and fellowships, GI benefits, and other cash amounts. In addition, depreciation claimed for state income tax purposes, excluded long-term capital gains,

contributions to individual retirement accounts (IRAs), and other types of tax-preference income are included in household income.

Additional conditions for Homestead eligibility require that an applicant—

- be a legal resident of Wisconsin for the entire calendar year for which the claim is made;
- not be claimed as a dependent on another person's federal income tax return during the current tax year;
- reside in a homestead subject to real estate taxes;
- not claim tax credits under the Farmland Preservation Program on property taxes for which relief is also being sought through the Homestead program;
- not live in a nursing home or receive Title XIX medical assistance; and
- not receive Wisconsin Works (W-2) payments of more than \$400 for each month of the year.

2. Formula for Determining Benefits

The two most important factors in determining the amount of benefits an applicant may receive under the Homestead program are the applicant's income and property taxes. For 2009 claims, the credit is available to households with income less than \$24,500. The maximum amount of property taxes recognized by the formula is \$1,450. For renters, 25% of rent is considered to be property taxes if the rent payment does not include heat, 20% of rent is considered to be property taxes if rent includes heat.

Farmers are permitted to claim relief on the portion of their total property taxes attributable to their home plus a maximum of 120 acres of surrounding farmland.

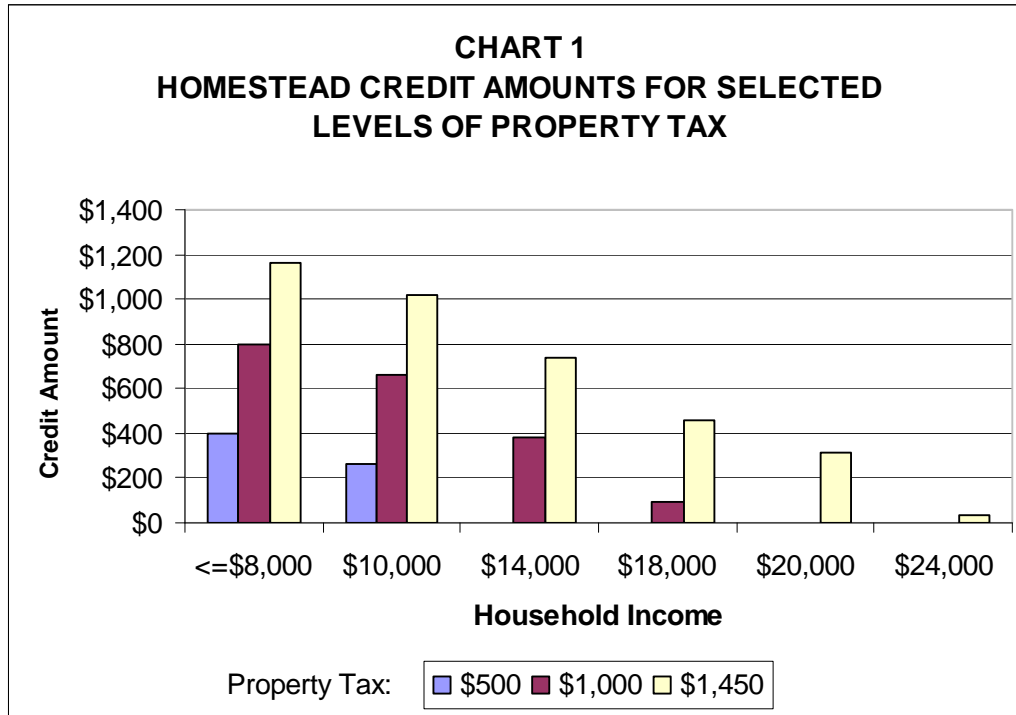
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2008 or \$1,450, the maximum property tax allowed.
- The income threshold, the amount of household income at which Homestead benefits begin to phase out, is \$8,000. For persons with income equal to or below the threshold, the credit is 80% of the property tax paid (up to \$1,450).
- For persons with income above \$8,000, the credit is equal to 80% of the amount by which the reported property tax exceeds 8.788% of household income in excess of \$8,000. That is:

$$\text{Credit} = .80 \times [\text{minimum}(\text{claimant's property tax, } \$1,450) - .08788 \times (\text{household income} - \$8,000)].$$

- The maximum credit available is \$1,160 (i.e., 80% x \$1,450).

Chart 1 shows Homestead credit amounts for selected income and property tax levels.



C. HISTORY

1. Enactment and Legal Challenges

When first enacted in 1964, the Homestead program provided relief to low-income homeowners or renters aged 65 or older with household incomes of \$3,000 or less. The early Homestead credit faced legal challenges on the grounds that it violated the uniformity clause of the State Constitution, which requires that property taxes—including property tax relief—be uniform across all classes of property. However, in 1966, the Wisconsin Supreme Court ruled in *Harvey v. Morgan* that the Homestead program was essentially a welfare program rather than property tax relief. The Court's determination was based on the following:

- a. The statutory language creating the program explicitly stated that Homestead was a relief program;
- b. The relief is available to both renters and homeowners;
- c. The credit is tied to the characteristics of the individual (e.g., age, income, cost of shelter), not to the characteristics of the property;
- d. Property owners receiving the relief pay their property tax bill in full, but receive a credit against their income taxes from the state's general fund; and
- e. The administration of the law is tied to the income tax system rather than to the property tax system.

2. Growth in Claims and Credits

Initially a small program, providing \$1.8 million in payments to 30,715 claimants, the Homestead credit program quickly grew in both the number of claimants and total credits. Table 1 shows that growth in Homestead expenditures has been uneven, the result of occasional changes in credit parameters that increase the number and amount of credits, followed by periods of declining claims and credits as inflation erodes the value of the income ceiling.

Fiscal Year (FY) 1980 remains the year with the highest number of claimants in the history of the program. As shown in the table, \$92.6 million in credits was provided to 318,000 claimants in FY1980. Fiscal Year 2005 saw the highest amount of credits paid, \$127.2 million to about 250,000 claimants. While the number of claimants and the amount of the credit have fluctuated, the average credit has grown steadily, rising from \$60 in FY1965 to \$525 in FY2009.

Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

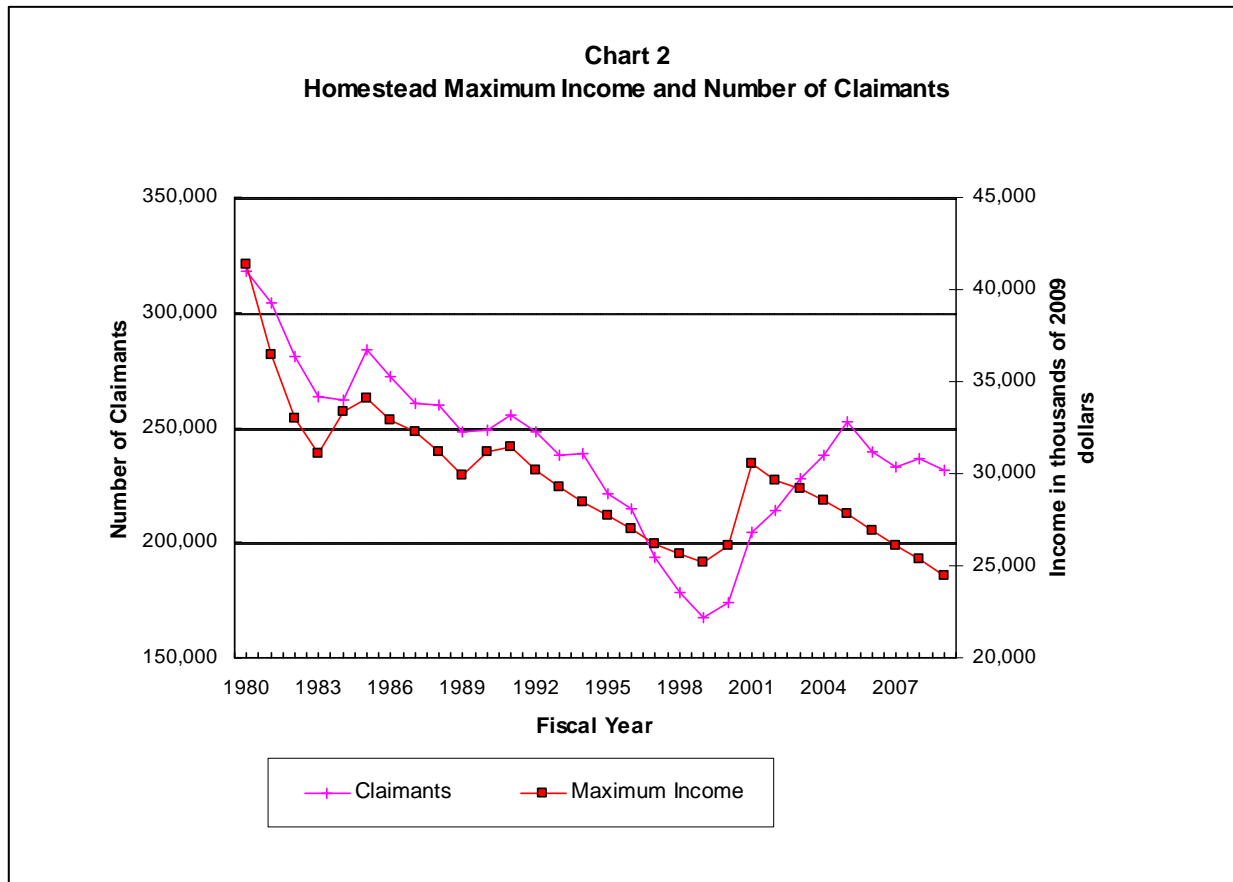
Major expansion occurred in FY1967 (formula changes), FY1974 (expansion of the program to include adults under 62 years of age), FY1980 (formula changes), FY1985 (formula changes), and FY2001 (formula changes). From FY1980 through FY1999, the number of Homestead claimants generally declined, primarily because adjustments to the income ceiling did not keep up with the rate of inflation. From FY2001 to FY2009, the number of Homestead credit claimants increased by an average of 1.5% annually, but recent claims have not reached the peak of the early 1980s.

In 2005, a simplified, one page Homestead credit form, called Homestead-EZ, was introduced. About 25% of tax year 2005 claimants filed the EZ form. People who filed electronically or at VITA (Volunteer Income Tax Assistance) sites used the electronic extended forms even though they could have used the simplified form. If they had filed the EZ form, the usage of the EZ form would have been considerably greater.

TABLE 1
WISCONSIN HOMESTEAD TAX CREDITS
FY65 - FY09

Fiscal Year	Homestead Funding		Claims		Average Credit	
	Amount	% Change	Count	% Change	Amount	% Change
1965	\$1,829,400	-	30,715		\$60	
1966	2,090,100	14.3%	33,046	7.6%	63	6.2%
1967	4,201,900	101.0%	58,716	77.7%	72	13.1%
1968	6,141,800	46.2%	66,786	13.7%	92	28.5%
1969	6,129,200	-0.2%	67,401	0.9%	91	-1.1%
1970	7,223,600	17.9%	73,680	9.3%	98	7.8%
1971	6,739,800	-6.7%	70,704	-4.0%	95	-2.8%
1972	10,025,800	48.8%	78,684	11.3%	127	33.7%
1973	9,178,400	-8.5%	80,786	2.7%	114	-10.8%
1974	35,410,800	285.8%	192,921	138.8%	184	61.6%
1975	41,613,700	17.5%	218,312	13.2%	191	3.9%
1976	49,754,500	19.6%	240,966	10.4%	206	8.3%
1977	48,139,000	-3.2%	234,201	-2.8%	206	-0.5%
1978	66,051,700	37.2%	251,374	7.3%	263	27.8%
1979	62,467,900	-5.4%	237,072	-5.7%	264	0.3%
1980	92,577,600	48.2%	318,030	34.1%	291	10.5%
1981	91,937,000	-0.7%	304,065	-4.4%	302	3.9%
1982	90,516,700	-1.5%	281,028	-7.6%	322	6.5%
1983	83,750,174	-7.5%	263,597	-6.2%	318	-1.4%
1984	86,025,528	2.7%	262,177	-0.5%	328	3.3%
1985	105,214,720	22.3%	284,019	8.3%	370	12.9%
1986	102,662,679	-2.4%	272,410	-4.1%	377	1.7%
1987	102,618,681	0.0%	260,632	-4.3%	394	4.5%
1988	103,829,374	1.2%	259,814	-0.3%	400	1.5%
1989	99,449,998	-4.2%	248,414	-4.4%	400	0.2%
1990	106,410,166	7.0%	248,802	0.2%	428	6.8%
1991	112,273,243	5.5%	255,487	2.7%	439	2.7%
1992	105,505,779	-6.0%	248,249	-2.8%	425	-3.3%
1993	104,410,544	-1.0%	237,891	-4.2%	439	3.3%
1994	109,392,680	4.8%	238,708	0.3%	458	4.4%
1995	100,910,660	-7.8%	221,392	-7.3%	456	-0.5%
1996	96,323,808	-4.5%	214,530	-3.1%	450	-1.3%
1997	86,769,052	-9.9%	193,547	-9.8%	448	-0.4%
1998	79,816,730	-8.0%	178,150	-8.0%	448	-0.1%
1999	77,180,545	-3.3%	167,547	-6.0%	461	2.8%
2000	79,956,454	3.6%	173,739	3.7%	460	-0.1%
2001	99,568,850	24.5%	204,516	17.7%	487	5.8%
2002	104,420,000	4.9%	214,101	4.7%	488	0.2%
2003	113,411,348	8.6%	227,871	6.4%	498	2.0%
2004	119,752,255	5.6%	237,814	3.5%	508	2.0%
2005	127,227,514	6.2%	252,215	6.1%	504	-0.8%
2006	121,891,762	-4.2%	239,546	-5.0%	509	1.0%
2007	119,409,021	-2.0%	233,070	-2.7%	512	0.6%
2008	122,005,998	2.2%	236,193	1.3%	517	0.9%
2009	\$121,448,814	-0.5%	231,124	-2.1%	\$525	1.7%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2009 dollars (right axis). As shown in the chart, the largest number of claimants occurred in 1980 when the real income ceiling was at its peak, at \$41,000 in 2009 dollars.



3. Homestead Formula Parameters

Since FY1974, the Homestead benefit formula has taken the form:

$$\text{Homestead Credit} = .80 \times [\text{property taxes} - (\text{phase-out rate} \times (\text{income} - \text{income threshold}))]$$

The maximum income, above which the Homestead credit is zero, is not explicitly shown in the formula; rather, it is implied by the phase out rate. The maximum income and phase out rate are specified by statute. In the formula, property taxes may not exceed the property tax ceiling, which is also set by statute. Taxes in excess of the property tax ceiling are ignored. Households with incomes below the income threshold receive credits equal to 80% of their property taxes. Households with incomes above the income threshold have their qualifying property taxes reduced by the phase out rate multiplied by the amount by which their income exceeds the income threshold.

Table 2 shows the formula parameters over the life of the Homestead program.

**TABLE 2
HOMESTEAD FORMULA PARAMETERS
FY65 - FY09**

Fiscal Years	Minimum Age	Maximum Benefit (\$)	Maximum Income (\$)	Property Tax Ceiling (\$)	Relief Rate	Income Threshold (\$)	Maximum Acres
1965-66	65	\$ 225	\$ 3,000	\$ 300	75%	-	1
1967-69	65	225	3,500	300	75%	500	40
1970-71	65	248	3,700	330	75%	500	40
1972-73	62*	400	7,000	500	75%	1,000	40
1974-75	18	400	7,000	500	80%	3,500	80
1976-77	18	428	7,500	535	80%	3,750	120
1978-79	18	640	9,300	800	80%	4,000	120
1980-81	18	800	14,000	1,000	80%	5,000	120
1982-83	18	800	14,000	1,000	80%	6,000	120
1984	18	880	15,500	1,100	80%	7,000	120
1985-86	18	960	16,500	1,200	80%	7,400	120
1987-89	18	960	16,500	1,200	80%	7,600	120
1990	18	1080	18,000**	1,350	80%	8,000	120
1991-99	18	1160	19,154	1,450	80%	8,000	120
2000	18	1160	20,290	1,450	80%	8,000	120
2001-09	18	1160	24,500	1,450	80%	8,000	120

* 60 for disabled.

** Beginning in 1989-90, household income is reduced by \$250 for each dependent so that households with incomes above the formula maximum may remain eligible.

In addition to these changes, the definition of "household income" has been modified over time to take more fully into account the income items that are deducted or excluded from adjusted gross income. For example, depreciation (which is subtracted from income to determine Wisconsin adjusted gross income for income tax purposes) has been added back to determine household income for Homestead purposes since 1982.

Similarly, other minor adjustments have been made to household income items such as contributions to individual retirement accounts (IRAs), Keogh and deferred compensation plans, nontaxable income of American Indians, the housing allowance received by the clergy, value of a resident manager's free or reduced rent, net operating loss carry-forwards, capital loss carry-forwards, and IRC section 179 expense deductions.

Beginning with claims filed in 1990, household income is reduced by \$250 for each dependent. This change was enacted to recognize the economic burdens faced by larger families. Beginning in 2010, the dependent deduction will be increased to \$500 per dependent.

D. BENEFITS BY CHARACTERISTICS OF PARTICIPANTS

Persons must meet age and certain other requirements to claim the credit. The following sections provide information about applicants by age, income, and housing status.

1. Age

The Homestead program originally was limited to elderly, low-income property taxpayers, and renters. In tax year 1974, eligibility was extended to all adults who meet income parameters.

Table 3 shows the distribution of claimants by age in FY2009, the average property tax (or property tax equivalent¹), the average household income, the average credit and the percent of property tax covered by the credit. As the table shows, persons aged 66 and older, as a group, are the main beneficiaries of the program; they account for about 33% of the claimants and 28% of benefits received.

Also as shown in the table, persons 66 and older had the highest average property tax burden of the groups presented and received the lowest average credit. A lower average credit is likely because the credit phases out at higher levels of household income and that group had the highest average household income.

**TABLE 3
WISCONSIN HOMESTEAD CREDIT BY AGE, FY09**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	3,749	1.6%	\$ 5,535,417	\$ 1,477	\$ 49,323,383	\$ 13,156	\$ 2,049,870	1.7%	\$ 547	37.0%
18-25	22,469	9.7%	26,857,027	1,195	279,981,430	12,461	11,406,640	9.4%	508	42.5%
26-35	30,298	13.1%	46,365,616	1,530	410,688,729	13,555	16,926,038	13.9%	559	36.5%
36-45	28,705	12.4%	48,342,038	1,684	357,182,510	12,443	16,780,218	13.8%	585	34.7%
46-55	38,018	16.4%	63,145,679	1,661	452,866,148	11,912	22,102,850	18.2%	581	35.0%
56-60	17,714	7.7%	30,600,304	1,727	203,015,842	11,461	10,076,816	8.3%	569	32.9%
61-62	6,445	2.8%	11,226,284	1,742	80,690,051	12,520	3,548,324	2.9%	551	31.6%
63-65	8,308	3.6%	14,082,513	1,695	113,691,433	13,685	4,096,272	3.4%	493	29.1%
66 and older	75,418	32.6%	138,684,228	1,839	1,177,953,227	15,619	34,461,786	28.4%	457	24.8%
Total	231,124	100.0%	\$ 384,839,106	\$ 1,665	\$ 3,125,392,753	\$ 13,523	\$ 121,448,814	100.0%	\$ 525	31.6%

2. Income

The Homestead credit provides relief to low-income households. As mentioned earlier, household income is broadly defined to include both taxable and nontaxable sources of income. The average household income of all Homestead claimants in FY2009 was \$13,523. The average income of renters was somewhat lower at \$12,764, while the average income of homeowners was higher at \$14,314. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$984 for the lowest income group to \$311 for the highest income group.

¹ For renters, 25% of rent is considered to be property taxes if the rent payment does not include heat, 20% of rent is considered to be property taxes if rent includes heat.

**TABLE 4
HOMESTEAD BENEFITS BY INCOME CLASS , FY09**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	4,556	2.0%	\$ 11,736,662	\$ 2,576	\$ 4,481,728	3.7%	\$ 984	38.2%
\$0 to \$2,500	5,350	2.3%	8,081,537	1,511	4,441,914	3.7%	830	55.0%
\$2,500 to \$8,000	29,281	12.7%	36,972,173	1,263	22,811,062	18.8%	779	61.7%
\$8,000 to \$15,000	99,863	43.2%	134,989,939	1,352	61,123,608	50.3%	612	45.3%
\$15,000 to \$24,500	92,074	39.8%	193,058,795	2,097	28,590,502	23.5%	311	14.8%
Total	231,124	100.0%	\$ 384,839,106	\$ 1,665	\$ 121,448,814	100.0%	\$ 525	31.6%

Table 1A, in the appendix, shows the credit amount at selected levels of income and property tax.

3. Income Sources

Homestead claimants receive income from a variety of sources. Social security is the most important income source, which is consistent with the large number of Homestead claimants who are elderly. Wages and salaries are the second most important source of income, although the average amounts suggest that these earnings are from low-wage jobs, part-time employment or both.

Table 5 details the sources of income for Homestead claimants. The information in the table is derived from the 2007 Individual Income Tax Model using a stratified sample of 24,289 income tax and Homestead credit returns filed for tax year 2007 weighted to represent the population of tax filers and Homestead claimants. More recent data are not yet available.

Over two thirds (69%) of Homestead claimants file income tax returns, though less than 2% of these claimants actually have a tax liability due before the Homestead credit is applied. For those claimants with tax liability prior to the Homestead credit, the average tax due was \$117 and the average Homestead credit was \$470, so the vast majority of these claimants receive a refund check.

TABLE 5
SOURCES OF HOUSEHOLD INCOME FOR HOMESTEAD FILERS, 2007

	Filers with Tax Returns			Filers without Tax Returns			All Filers		
	Amount	% of total	# of returns	Amount	% of total	# of returns	Amount	% of total	Avg. Amt.
TAXABLE SOURCES									
Wages	\$ 1,111,293,830	49.5%	99,625	N/A	N/A	N/A	N/A	N/A	N/A
Interest and Dividends	99,066,989	4.4%	75,432	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	1,210,360,819	53.9%	147,806	\$ 26,053,476	4.0%	17,094	\$ 1,236,414,295	42.6%	\$ 7,498
Farm Income	-14,814,567	-0.7%	3,361	N/A	N/A	N/A	N/A	N/A	N/A
Business Income	81,242,108	3.6%	23,925	N/A	N/A	N/A	N/A	N/A	N/A
Other Taxable	-29,939,380	-1.3%	92,135	15,682,968	2.4%	6,660	-14,256,412	-0.5%	-144
Total Taxable	1,246,848,980	55.5%	162,290	41,736,444	6.4%	20,424	1,288,585,424	44.4%	7,052
NONTAXABLE SOURCES									
Social Security	768,417,478	34.2%	68,901	562,208,562	85.9%	50,616	1,330,626,040	45.9%	11,133
Rail Road Retirement	1,192,141	0.1%	335	5,667,660	0.9%	444	6,859,801	0.2%	8,806
Unemployment Comp.	33,909,501	1.5%	13,542	993,894	0.2%	444	34,903,395	1.2%	2,496
Pensions	19,585,376	0.9%	8,794	40,038,144	6.1%	12,876	59,623,520	2.1%	2,751
Public Assistance	2,033,520	0.1%	1,110	0	0.0%	0	2,033,520	0.1%	1,832
Other Nontaxable	52,814,444	2.4%	24,147	4,570,314	0.7%	1,998	57,384,758	2.0%	2,195
Total Nontaxable	877,952,460	39.1%	100,467	613,478,574	93.7%	52,170	1,491,431,034	51.4%	9,771
DEPENDENT DEDUCTION									
	22,726,250	1.0%	49,212	1,110,000	0.2%	2,886	23,836,250	0.8%	458
TOTAL INCOME	\$ 2,246,739,294	100.0%	168,951	\$ 654,511,500	100.0%	52,836	\$ 2,901,250,794	100.0%	13,081

Source: 2007 Wisconsin Individual Income Tax Model.

Note: Due to the design of the homestead return, wages, interest, dividends, farm income, and business income are not separately identifiable without a corresponding tax return

4. Dependents

Beginning with claims filed in 1990, the Homestead formula reduces household income by \$250 for each dependent in a household. For households with income in excess of \$8,000, this provision increases the credit by about \$18 per dependent. Beginning in 2010, the dependent deduction will be increased to \$500 per dependent. Homestead claimants reported a total of 90,297 dependents in FY2009. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY09

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	534	0.9%	1,692	5.7%	2,226	2.5%
\$0 to \$2,500	1,498	2.5%	715	2.4%	2,213	2.5%
\$2,500 to \$8,000	9,698	15.9%	3,116	10.6%	12,814	14.2%
\$8,000 to \$15,000	26,495	43.6%	9,008	30.6%	35,503	39.3%
\$15,000 to \$24,500	22,596	37.2%	14,945	50.7%	37,541	41.6%
Total	60,821	100%	29,476	100%	90,297	100%

TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY09

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	1,208	2.0%	317	1.1%	1,525	1.7%
18-25	10,214	16.8%	761	2.6%	10,975	12.2%
26-35	23,937	39.4%	6,121	20.8%	30,058	33.3%
36-45	15,857	26.1%	10,639	36.1%	26,496	29.3%
46-55	7,467	12.3%	8,189	27.8%	15,656	17.3%
56-60	1,147	1.9%	1,731	5.9%	2,878	3.2%
61-62	232	0.4%	336	1.1%	568	0.6%
63-65	250	0.4%	326	1.1%	576	0.6%
66 and older	509	0.8%	1,056	3.6%	1,565	1.7%
Total	60,821	100.0%	29,476	100.0%	90,297	100.0%

5. Housing Status

Homeowners received \$53.1 million (or 44%) of the total \$121.4 million in credits in FY2009 and renters received \$68.4 million (or 56%). Homeowners accounted for 41% of the number of claims and renters the remaining 59% of claims. As a result, the average credit for homeowners was \$532, compared with an average of \$503 for renters. Tables 8 and 9 show the distribution of benefits between homeowners and renters by housing status, income class, and age group.

As shown in Table 8, at income levels between \$0 and \$15,000, total benefits paid to renters were larger than benefits paid to homeowners. This occurs because at these income levels, the larger number of claims by renters offsets lower average benefits per claim. Above \$15,000 and below \$0, most of the benefits are paid to homeowners. Similarly, Table 9 shows that renters received greater total benefits than owners in younger age groups, even though their average benefits were lower than owners

because the number of claims by renters in the younger age groups exceeds the claims by owners in those age groups.

TABLE 8
HOMESTEAD CREDIT BY INCOME CLASS AND PROPERTY OWNERSHIP, FY09

Renters								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Credit	% of Total	Avg. Credit	% of Relief
Less than \$0	1,709	1.3%	\$ 2,056,520	\$ 1,203	\$ 1,407,882	2.1%	\$ 824	68.5%
\$0 to \$2,500	3,369	2.5%	3,426,357	1,017	2,468,538	3.6%	733	72.0%
\$2,500 to \$8,000	21,450	15.8%	20,448,318	953	15,102,872	22.1%	704	73.9%
\$8,000 to \$15,000	68,212	50.2%	71,065,942	1,042	37,279,456	54.5%	547	52.5%
\$15,000 to \$24,500	41,061	30.2%	64,104,317	1,561	12,097,202	17.7%	295	18.9%
Total	135,801	100.0%	\$ 161,101,454	\$ 1,186	\$ 68,355,950	100.0%	\$ 503	42.4%

Owners								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,847	2.9%	\$ 9,096,902	\$ 3,195	\$ 3,073,846	5.8%	\$ 1,080	33.8%
\$0 to \$2,500	1,981	2.0%	4,286,466	2,164	1,973,376	3.7%	996	46.0%
\$2,500 to \$8,000	7,831	7.9%	15,352,390	1,960	7,708,190	14.5%	984	50.2%
\$8,000 to \$15,000	31,651	31.7%	61,525,947	1,944	23,844,152	44.9%	753	38.8%
\$15,000 to \$24,500	51,013	51.2%	122,239,369	2,396	16,493,300	31.1%	323	13.5%
Total	99,709	100.0%	\$ 212,501,074	\$ 2,131	\$ 53,092,864	100.0%	\$ 532	25.0%

TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY09

Renters										
Age	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	2,699	2.0%	\$ 3,007,722	\$ 1,114	\$ 30,505,868	\$ 11,303	\$ 1,425,144	2.1%	\$ 528	47.4%
18-25	21,249	15.6%	22,966,671	1,081	238,674,592	11,232	10,765,196	15.7%	507	46.9%
26-35	24,911	18.3%	32,591,652	1,308	305,551,056	12,266	13,836,082	20.2%	555	42.5%
36-45	19,414	14.3%	25,169,646	1,296	232,027,550	11,952	11,029,576	16.1%	568	43.8%
46-55	22,218	16.4%	25,881,763	1,165	255,226,906	11,487	12,090,924	17.7%	544	46.7%
56-60	9,043	6.7%	9,775,553	1,081	102,862,419	11,375	4,589,300	6.7%	507	46.9%
61-62	3,078	2.3%	3,291,987	1,070	36,075,753	11,721	1,481,428	2.2%	481	45.0%
63-65	4,004	2.9%	4,170,936	1,042	49,041,478	12,248	1,781,308	2.6%	445	42.7%
66 and older	29,185	21.5%	34,245,524	1,173	404,379,983	13,856	11,356,992	16.6%	389	33.2%
Total	135,801	100.0%	\$ 161,101,454	\$ 1,186	\$ 1,654,345,605	\$ 12,182	\$ 68,355,950	100.0%	\$ 503	42.4%

Owners										
Age	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	1,050	1.1%	\$ 2,155,967	\$ 2,053	\$ 14,364,961	\$ 13,681	\$ 624,726	1.2%	\$ 595	29.0%
18-25	1,220	1.3%	2,412,148	1,977	17,531,296	14,370	641,444	1.2%	526	26.6%
26-35	5,387	5.7%	11,604,880	2,154	72,423,152	13,444	3,089,956	5.8%	574	26.6%
36-45	9,291	9.7%	21,358,959	2,299	99,170,610	10,674	5,750,642	10.8%	619	26.9%
46-55	15,800	16.6%	35,392,693	2,240	175,055,345	11,079	10,011,926	18.9%	634	28.3%
56-60	8,671	9.1%	20,001,789	2,307	90,639,694	10,453	5,487,516	10.3%	633	27.4%
61-62	3,367	3.5%	7,711,550	2,290	40,741,456	12,100	2,066,896	3.9%	614	26.8%
63-65	4,304	4.5%	9,550,921	2,219	59,754,213	13,883	2,314,964	4.4%	538	24.2%
66 and older	46,233	48.5%	102,312,167	2,213	740,172,095	16,010	23,104,794	43.5%	500	22.6%
Total	95,323	100.0%	\$ 212,501,074	\$ 2,229	\$ 1,309,852,822	\$ 13,741	\$ 53,092,864	100.0%	\$ 557	25.0%

6. Geographic Distribution by County

Table 10 shows the distribution of Homestead claimants by household income, property tax and average benefits across counties. Graph 1 shows the distribution of total Homestead credit amounts by county. Graph 2 shows the distribution of average Homestead credit amounts by county. A number of counties in the northern part of the state receive a small amount of credit compared to counties elsewhere in the state. The counties with the largest amount of claims are Milwaukee and Dane.

TABLE 10
HOMESTEAD CREDIT BY COUNTY, FY09

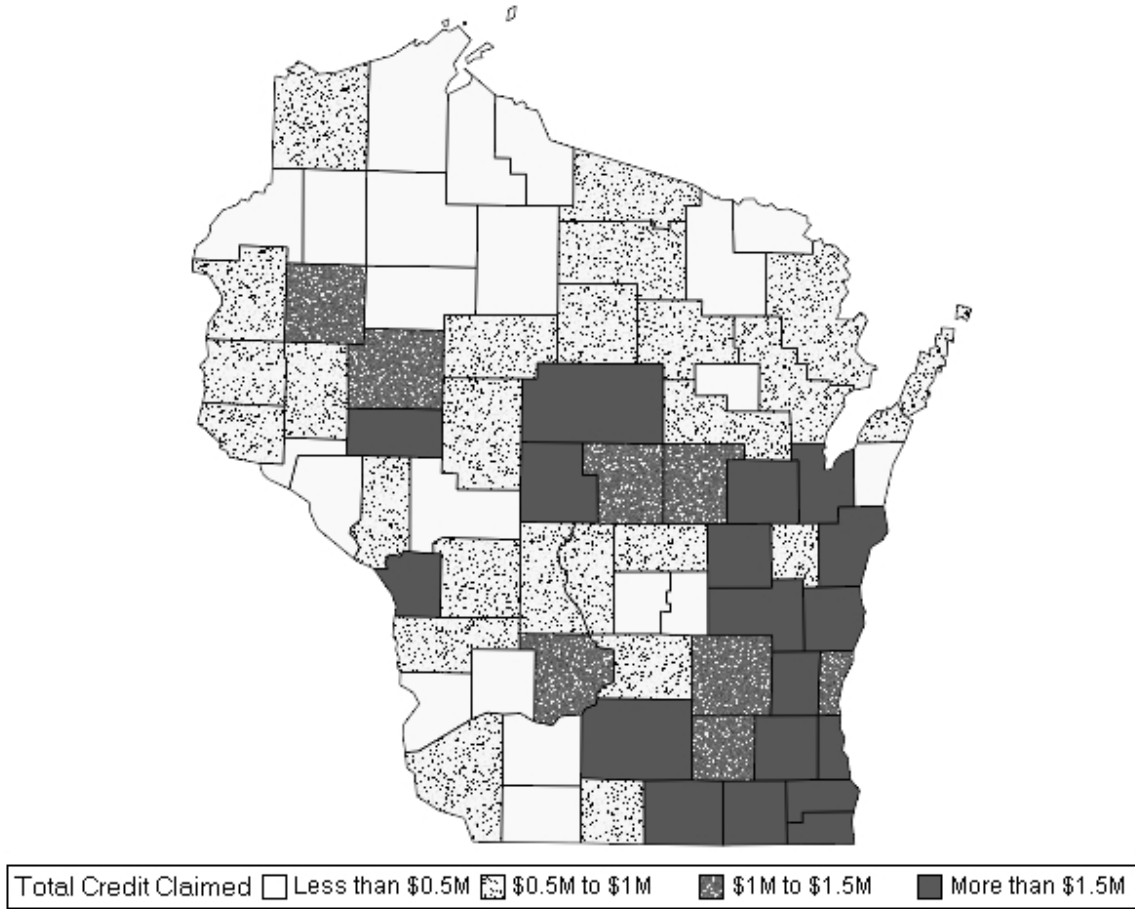
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	996	0.4%	\$ 1,377,362	\$ 1,383	\$ 12,231,192	\$ 12,280	\$ 502,702	0.4%	\$ 505	36.5%
Ashland	853	0.4%	1,039,031	1,218	10,636,751	12,470	372,766	0.3%	437	35.9%
Barron	2,490	1.1%	3,495,666	1,404	31,292,742	12,567	1,246,360	1.0%	501	35.7%
Bayfield	633	0.3%	802,475	1,268	7,681,604	12,135	289,850	0.2%	458	36.1%
Brown	8,843	3.8%	13,536,804	1,531	114,710,394	12,972	4,368,606	3.6%	494	32.3%
Buffalo	606	0.3%	841,430	1,388	5,886,390	9,714	312,710	0.3%	516	37.2%
Burnett	735	0.3%	963,775	1,311	8,677,352	11,806	355,420	0.3%	484	36.9%
Calumet	1,178	0.5%	1,967,514	1,670	16,492,308	14,000	570,690	0.5%	484	29.0%
Chippewa	2,613	1.1%	3,458,315	1,324	32,770,168	12,541	1,318,874	1.1%	505	38.1%
Clark	1,673	0.7%	2,344,857	1,402	20,421,714	12,207	892,196	0.7%	533	38.0%
Columbia	1,891	0.8%	3,332,586	1,762	24,939,924	13,189	979,842	0.8%	518	29.4%
Crawford	848	0.4%	1,175,633	1,386	10,576,594	12,472	423,314	0.3%	499	36.0%
Dane	15,626	6.8%	27,607,309	1,767	188,131,513	12,040	8,440,416	6.9%	540	30.6%
Dodge	2,876	1.2%	4,980,683	1,732	40,628,807	14,127	1,441,948	1.2%	501	29.0%
Door	1,224	0.5%	2,020,311	1,651	16,036,399	13,102	624,564	0.5%	510	30.9%
Douglas	2,028	0.9%	2,520,521	1,243	25,776,042	12,710	968,164	0.8%	477	38.4%
Dunn	1,487	0.6%	2,267,390	1,525	18,356,203	12,344	770,892	0.6%	518	34.0%
Eau Claire	4,726	2.0%	6,437,314	1,362	58,341,103	12,345	2,323,690	1.9%	492	36.1%
Florence	225	0.1%	272,512	1,211	2,674,807	11,888	100,232	0.1%	445	36.8%
Fond du Lac	3,728	1.6%	5,477,479	1,469	51,191,101	13,732	1,776,656	1.5%	477	32.4%
Forest	431	0.2%	467,646	1,085	5,234,848	12,146	180,808	0.1%	420	38.7%
Grant	1,870	0.8%	2,498,411	1,336	22,899,338	12,246	914,632	0.8%	489	36.6%
Green	1,458	0.6%	2,498,681	1,714	19,677,357	13,496	745,226	0.6%	511	29.8%
Green Lake	879	0.4%	1,407,248	1,601	12,122,283	13,791	448,674	0.4%	510	31.9%
Iowa	837	0.4%	1,393,334	1,665	11,030,508	13,179	440,430	0.4%	526	31.6%
Iron	411	0.2%	434,345	1,057	4,761,493	11,585	168,278	0.1%	409	38.7%
Jackson	790	0.3%	1,075,919	1,362	9,783,769	12,385	396,726	0.3%	502	36.9%
Jefferson	2,530	1.1%	4,405,689	1,741	35,722,438	14,120	1,238,090	1.0%	489	28.1%
Juneau	1,270	0.5%	1,721,368	1,355	16,033,865	12,625	617,914	0.5%	487	35.9%
Kenosha	6,056	2.6%	11,473,653	1,895	81,860,439	13,517	3,256,372	2.7%	538	28.4%
Kewaunee	701	0.3%	1,052,026	1,501	9,504,628	13,559	349,496	0.3%	499	33.2%
La Crosse	5,164	2.2%	7,499,394	1,452	66,122,888	12,805	2,528,388	2.1%	490	33.7%
Lafayette	621	0.3%	956,481	1,540	7,649,923	12,319	318,960	0.3%	514	33.3%
Langlade	1,214	0.5%	1,396,049	1,150	15,128,656	12,462	552,056	0.5%	455	39.5%
Lincoln	1,286	0.6%	1,661,020	1,292	16,597,618	12,906	609,964	0.5%	474	36.7%
Manitowoc	3,573	1.5%	5,264,933	1,474	49,447,364	13,839	1,700,456	1.4%	476	32.3%

TABLE 10 (Continued)
 HOMESTEAD CREDIT BY COUNTY, FY09

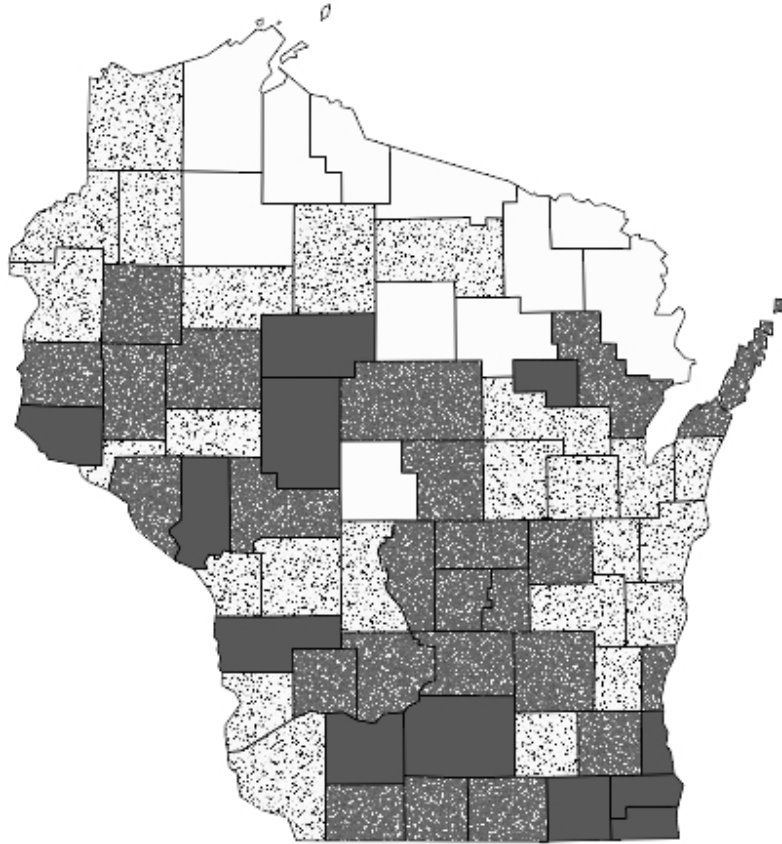
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,253	2%	\$ 8,093,814	\$ 1,541	\$ 71,024,178	\$ 13,521	\$ 2,701,058	2%	\$ 514	33.4%
Marinette	1,892	1%	2,131,513	1,127	23,262,700	12,295	852,710	1%	451	40.0%
Marquette	799	0%	1,255,337	1,571	10,495,998	13,136	414,932	0%	519	33.1%
Menominee	32	0%	67,294	2,103	352,808	11,025	17,836	0%	557	26.5%
Milwaukee	56,737	25%	96,110,404	1,694	716,246,059	12,624	33,152,216	27%	584	34.5%
Monroe	1,642	1%	2,236,038	1,362	20,855,536	12,701	812,306	1%	495	36.3%
Oconto	1,605	1%	2,203,476	1,373	20,221,283	12,599	813,684	1%	507	36.9%
Oneida	1,688	1%	2,344,493	1,389	22,320,817	13,223	803,288	1%	476	34.3%
Outagamie	5,933	3%	9,387,587	1,582	79,742,338	13,440	2,919,816	2%	492	31.1%
Ozaukee	2,005	1%	4,352,255	2,171	28,177,190	14,053	1,016,736	1%	507	23.4%
Pepin	375	0%	567,924	1,514	4,764,352	12,705	186,050	0%	496	32.8%
Pierce	928	0%	1,663,031	1,792	11,535,293	12,430	501,446	0%	540	30.2%
Polk	1,741	1%	2,846,308	1,635	23,158,060	13,302	866,606	1%	498	30.4%
Portage	2,705	1%	3,875,356	1,433	35,369,822	13,076	1,354,656	1%	501	35.0%
Price	719	0%	904,668	1,258	9,217,593	12,820	349,762	0%	486	38.7%
Racine	8,064	3%	14,272,640	1,770	107,317,355	13,308	4,532,702	4%	562	31.8%
Richland	802	0%	1,024,329	1,277	9,540,065	11,895	406,274	0%	507	39.7%
Rock	6,989	3%	10,556,648	1,510	90,107,807	12,893	3,665,774	3%	525	34.7%
Rusk	756	0%	869,187	1,150	8,297,986	10,976	360,522	0%	477	41.5%
St. Croix	1,899	1%	3,347,198	1,763	22,811,430	12,012	982,818	1%	518	29.4%
Sauk	2,303	1%	3,844,679	1,669	29,932,530	12,997	1,172,560	1%	509	30.5%
Sawyer	685	0%	829,100	1,210	7,624,292	11,130	324,026	0%	473	39.1%
Shawano	1,920	1%	2,623,850	1,367	24,940,499	12,990	915,946	1%	477	34.9%
Sheboygan	4,397	2%	6,987,308	1,589	59,528,990	13,539	2,105,246	2%	479	30.1%
Taylor	981	0%	1,360,771	1,387	11,859,845	12,090	518,464	0%	529	38.1%
Trempealeau	1,179	1%	1,833,452	1,555	15,197,031	12,890	638,772	1%	542	34.8%
Vernon	1,511	1%	2,188,054	1,448	17,998,175	11,911	802,072	1%	531	36.7%
Vilas	1,059	0%	1,410,293	1,332	12,907,371	12,188	500,540	0%	473	35.5%
Walworth	3,151	1%	6,576,470	2,087	39,888,147	12,659	1,756,286	1%	557	26.7%
Washburn	897	0%	1,202,473	1,341	11,039,624	12,307	447,454	0%	499	37.2%
Washington	3,486	2%	6,509,642	1,867	48,515,970	13,917	1,706,168	1%	489	26.2%
Waukesha	8,184	4%	18,313,525	2,238	102,167,410	12,484	4,156,530	3%	508	22.7%
Waupaca	2,461	1%	3,618,366	1,470	32,266,776	13,111	1,218,548	1%	495	33.7%
Waushara	1,137	0%	1,637,903	1,441	12,331,201	10,845	569,024	0%	500	34.7%
Winnebago	6,418	3%	9,669,837	1,507	85,670,998	13,349	3,217,606	3%	501	33.3%
Wood	3,507	2%	4,474,658	1,276	46,145,498	13,158	1,650,168	1%	471	36.9%
Unknown	914	0%	1,287,483	1,409	10,334,877	11,307	491,850	0%	538	38.2%
Total	231,124	100.0%	\$ 373,602,528	\$ 1,616	\$ 2,964,198,427	\$ 12,825	\$ 121,448,814	100.0%	\$ 525	32.5%

Note: Detail may not sum to total due to rounding.

GRAPH 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY09



GRAPH 2
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY09



Average Credit Claimed Less than \$475 \$475 to \$500 \$500 to \$525 More than \$525

