

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2010

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TABLE OF CONTENTS

	Page
A. Introduction.....	1
B. Description of Credit Program	
1. Eligibility Criteria	1
2. Formula for Determining Benefits.....	2
C. History	
1. Enactment and Legal Challenges.....	3
2. Growth in Claims and Credits.....	4
3. Homestead Formula Parameters	6
D. Benefits by Characteristics of Participants	
1. Age	8
2. Income.....	8
3. Income Sources.....	9
4. Dependents	11
5. Housing Status	11
6. Geographic Distribution	13
E. Appendix	17

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY10

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 247,011 Wisconsin tax filers claimed Homestead credits amounting to \$128.5 million in FY10. The average credit was \$520.

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 annually and are expected to increase to \$24,680, \$1,460, and \$8,060, respectively. These increases will affect credit claimants and credit amounts beginning in FY11.

1. Eligibility Criteria

The basic requirements for Homestead relief relate to age and income. To qualify for benefits on claims filed in 2010, for property taxes accrued in 2009, 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 (\$500 for each dependent beginning with claims filed in 2011). 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 2010 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.

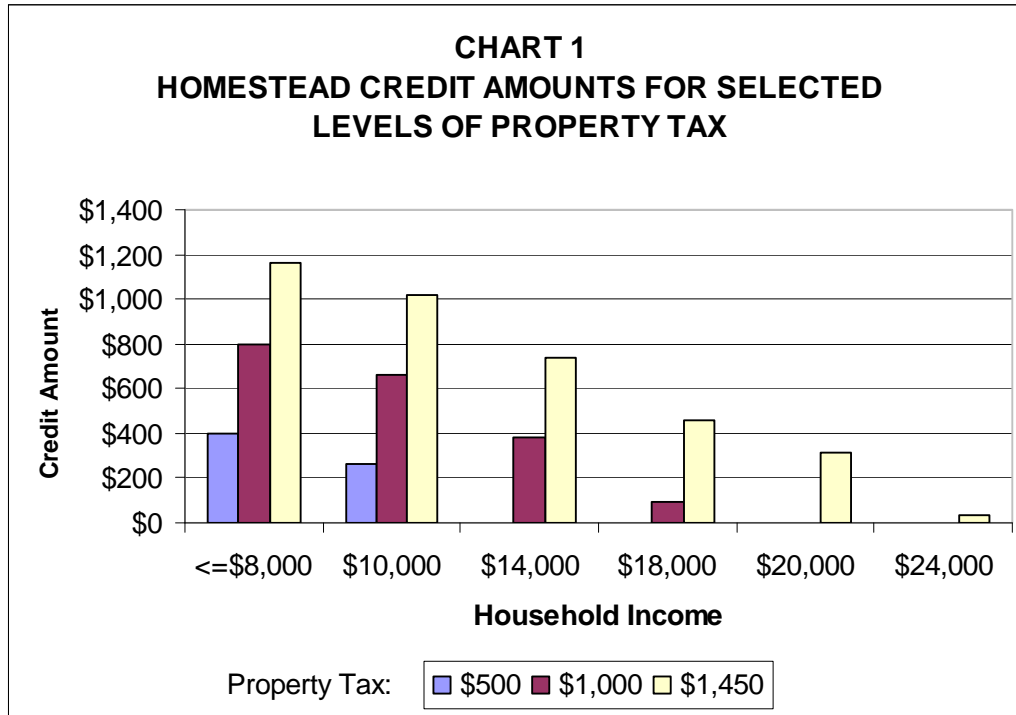
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2009 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 2010 saw the highest amount of credits paid, \$128.5 million to about 247,000 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 \$520 in FY2010.

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.

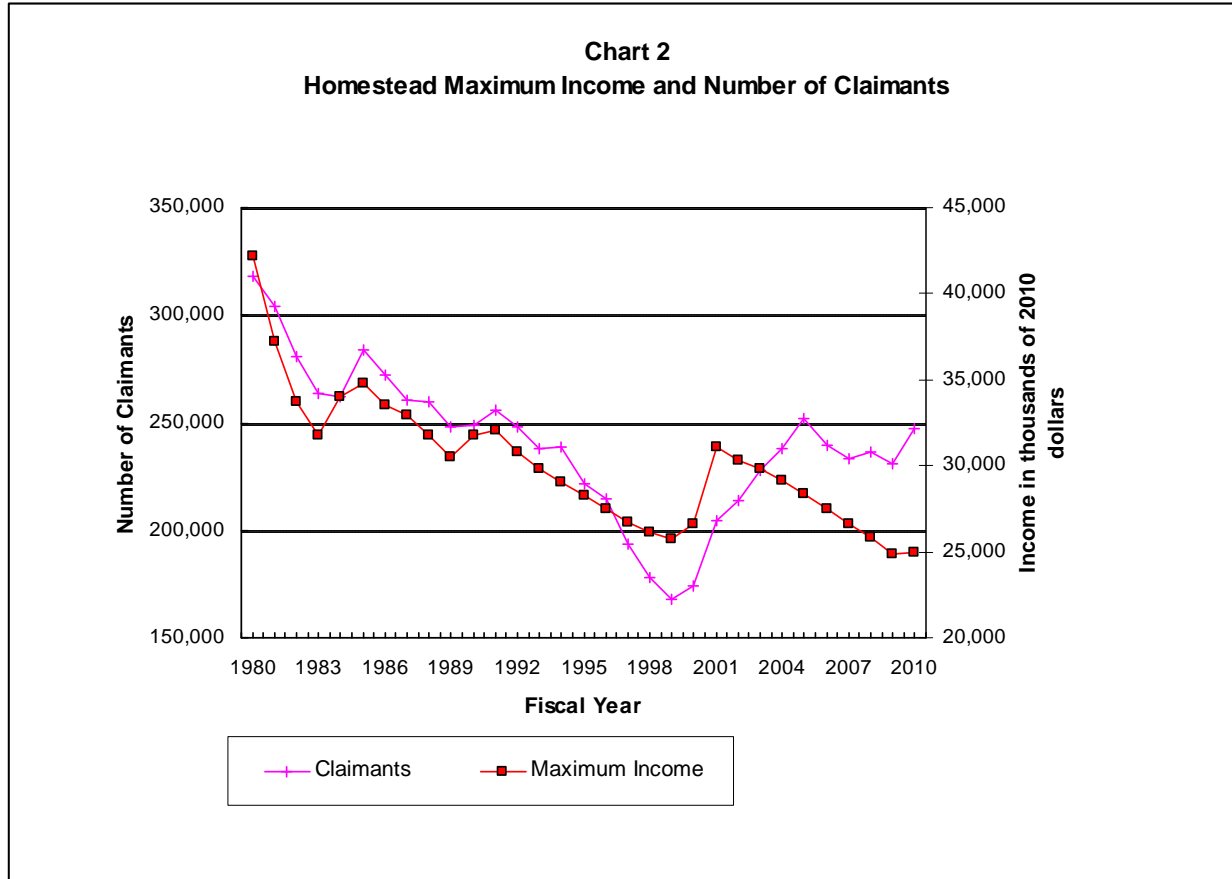
Major expansion occurred in FY1967 (formula changes), FY1974 (expansion of the program to include adults under 62 years of age), FY1980 (formula changes), FY1985 (formula changes), and FY2001 (formula changes). From FY1980 through FY1999, the number of Homestead claimants generally declined, primarily because adjustments to the income ceiling did not keep up with the rate of inflation. From FY2001 to FY2010, the number of Homestead credit claimants increased by an average of 2.1% 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 - FY10

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%
2010	\$128,456,380	5.8%	247,011	6.9%	\$520	-1.0%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2010 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 \$42,200 in 2010 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 - FY10**

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
2001-10	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 with claims filed in 2011, for property taxes accrued 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 FY2010, 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 31% of the claimants and 26% 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, FY10**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	3,793	1.5%	\$ 5,584,333	\$ 1,472	\$ 46,755,843	\$ 12,327	\$ 2,068,200	1.6%	\$ 545	37.0%
18-25	25,280	10.2%	28,621,728	1,132	287,746,343	11,382	12,856,286	10.0%	509	44.9%
26-35	34,768	14.1%	51,924,686	1,493	444,154,821	12,775	19,136,132	14.9%	550	36.9%
36-45	30,310	12.3%	51,239,542	1,691	366,647,998	12,097	17,471,886	13.6%	576	34.1%
46-55	41,820	16.9%	71,156,051	1,701	431,177,614	10,310	24,110,612	18.8%	577	33.9%
56-60	19,266	7.8%	33,529,542	1,740	206,887,207	10,738	10,856,640	8.5%	564	32.4%
61-62	7,158	2.9%	12,647,777	1,767	89,398,571	12,489	3,869,926	3.0%	541	30.6%
63-65	8,493	3.4%	14,489,529	1,706	112,361,848	13,230	4,176,388	3.3%	492	28.8%
66 and older	76,123	30.8%	144,321,641	1,896	1,135,712,793	14,919	33,910,310	26.4%	445	23.5%
Total	247,011	100.0%	\$ 413,514,829	\$ 1,674	\$ 3,120,843,038	\$ 12,634	\$ 128,456,380	100.0%	\$ 520	31.1%

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 FY2010 was \$12,634. The average income of renters was somewhat lower at \$12,497, while the average income of homeowners was higher at \$12,832. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$990 for the lowest income group to \$310 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 , FY10

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	5,351	2.2%	\$ 13,955,921	\$ 2,608	\$ 5,295,366	4.1%	\$ 990	37.9%
\$0 to \$2,500	5,780	2.3%	8,463,894	1,464	4,870,704	3.8%	843	57.5%
\$2,500 to \$8,000	26,910	10.9%	34,518,781	1,283	21,317,216	16.6%	792	61.8%
\$8,000 to \$15,000	104,947	42.5%	141,869,382	1,352	64,765,726	50.4%	617	45.7%
\$15,000 to \$24,500	104,023	42.1%	214,706,851	2,064	32,207,368	25.1%	310	15.0%
Total	247,011	100.0%	\$ 413,514,829	\$ 1,674	\$ 128,456,380	100.0%	\$ 520	31.1%

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 with claims filed in 2011, for property taxes accrued in 2010, the dependent deduction will be increased to \$500 per dependent. Homestead claimants reported a total of 101,019 dependents in FY10. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY10

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	644	0.9%	2,546	7.8%	3,190	3.2%
\$0 to \$2,500	1,386	2.0%	820	2.5%	2,206	2.2%
\$2,500 to \$8,000	9,544	14.0%	3,216	9.8%	12,760	12.6%
\$8,000 to \$15,000	29,384	43.0%	9,311	28.4%	38,695	38.3%
\$15,000 to \$24,500	27,322	40.0%	16,846	51.5%	44,168	43.7%
Total	68,280	100%	32,739	100%	101,019	100%

TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY10

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	1,255	1.8%	310	0.9%	1,565	1.5%
18-25	11,166	16.4%	763	2.3%	11,929	11.8%
26-35	27,599	40.4%	6,881	21.0%	34,480	34.1%
36-45	17,475	25.6%	11,934	36.5%	29,409	29.1%
46-55	8,481	12.4%	9,402	28.7%	17,883	17.7%
56-60	1,236	1.8%	1,813	5.5%	3,049	3.0%
61-62	318	0.5%	413	1.3%	731	0.7%
63-65	261	0.4%	329	1.0%	590	0.6%
66 and older	489	0.7%	894	2.7%	1,383	1.4%
Total	68,280	100.0%	32,739	100.0%	101,019	100.0%

5. Housing Status

Homeowners received \$55.0 million (or 43%) of the total \$128.5 million in credits in FY10 and renters received \$73.5 million (or 57%). 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 \$544, 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, FY10

Renters								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Credit	% of Total	Avg. Credit	% of Relief
Less than \$0	1,983	1.4%	\$ 2,498,134	\$ 1,260	\$ 1,667,706	2.3%	\$ 841	66.8%
\$0 to \$2,500	3,590	2.5%	3,700,075	1,031	2,650,680	3.6%	738	71.6%
\$2,500 to \$8,000	19,372	13.3%	19,004,626	981	13,876,838	18.9%	716	73.0%
\$8,000 to \$15,000	73,859	50.6%	79,393,514	1,075	41,308,836	56.2%	559	52.0%
\$15,000 to \$24,500	47,098	32.3%	74,366,897	1,579	13,945,958	19.0%	296	18.8%
Total	145,902	100.0%	\$ 178,963,246	\$ 1,227	\$ 73,450,018	100.0%	\$ 503	41.0%

Owners								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	3,368	3.3%	\$ 11,457,787	\$ 3,402	\$ 3,627,660	6.6%	\$ 1,077	31.7%
\$0 to \$2,500	2,190	2.2%	4,763,819	2,175	2,220,024	4.0%	1,014	46.6%
\$2,500 to \$8,000	7,538	7.5%	15,514,155	2,058	7,440,378	13.5%	987	48.0%
\$8,000 to \$15,000	31,088	30.7%	62,475,868	2,010	23,456,890	42.6%	755	37.5%
\$15,000 to \$24,500	56,925	56.3%	140,339,954	2,465	18,261,410	33.2%	321	13.0%
Total	101,109	100.0%	\$ 234,551,583	\$ 2,320	\$ 55,006,362	100.0%	\$ 544	23.5%

TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY10

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	2,715	1.9%	\$ 3,236,597	\$ 1,192	\$ 32,210,006	\$ 11,864	\$ 1,442,298	2.0%	\$ 531	44.6%
18-25	23,910	16.4%	25,958,914	1,086	267,938,567	11,206	12,149,188	16.5%	508	46.8%
26-35	28,791	19.7%	38,717,913	1,345	363,868,458	12,638	15,793,808	21.5%	549	40.8%
36-45	20,419	14.0%	27,647,068	1,354	253,608,635	12,420	11,536,290	15.7%	565	41.7%
46-55	24,195	16.6%	29,224,553	1,208	287,681,182	11,890	13,140,228	17.9%	543	45.0%
56-60	9,851	6.8%	11,214,643	1,138	117,138,975	11,891	4,987,244	6.8%	506	44.5%
61-62	3,463	2.4%	3,850,720	1,112	42,514,011	12,277	1,658,734	2.3%	479	43.1%
63-65	4,064	2.8%	4,436,413	1,092	50,653,889	12,464	1,847,254	2.5%	455	41.6%
66 and older	28,494	19.5%	34,676,425	1,217	407,750,775	14,310	10,894,974	14.8%	382	31.4%
Total	145,902	100.0%	\$ 178,963,246	\$ 1,227	\$ 1,823,364,498	\$ 12,497	\$ 73,450,018	100.0%	\$ 503	41.0%

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	1,078	1.1%	\$ 2,347,736	\$ 2,178	\$ 14,545,837	\$ 13,493	\$ 625,902	1.1%	\$ 581	26.7%
18-25	1,370	1.4%	2,662,814	1,944	19,807,776	14,458	707,098	1.3%	516	26.6%
26-35	5,977	5.9%	13,206,773	2,210	80,286,363	13,433	3,342,324	6.1%	559	25.3%
36-45	9,891	9.8%	23,592,474	2,385	113,039,363	11,429	5,935,596	10.8%	600	25.2%
46-55	17,625	17.4%	41,931,498	2,379	143,496,432	8,142	10,970,384	19.9%	622	26.2%
56-60	9,415	9.3%	22,314,899	2,370	89,748,232	9,532	5,869,396	10.7%	623	26.3%
61-62	3,695	3.7%	8,797,057	2,381	46,884,560	12,689	2,211,192	4.0%	598	25.1%
63-65	4,429	4.4%	10,053,116	2,270	61,707,959	13,933	2,329,134	4.2%	526	23.2%
66 and older	47,629	47.1%	109,645,216	2,302	727,962,018	15,284	23,015,336	41.8%	483	21.0%
Total	101,109	100.0%	\$ 234,551,583	\$ 2,320	\$ 1,297,478,540	\$ 12,832	\$ 55,006,362	100.0%	\$ 544	23.5%

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, FY10

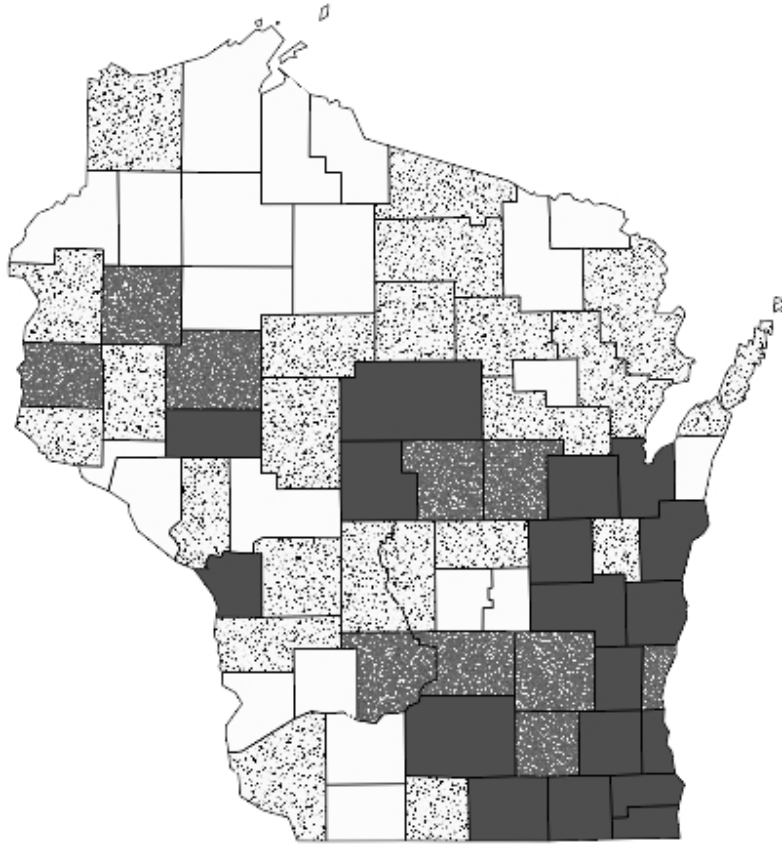
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	1,061	0.4%	\$ 1,549,529	\$ 1,460	\$ 13,673,093	\$ 12,887	\$ 519,840	0.4%	\$ 490	33.5%
Ashland	808	0.3%	933,609	1,155	10,027,743	12,411	357,076	0.3%	442	38.2%
Barron	2,530	1.0%	3,613,327	1,428	32,944,573	13,022	1,226,680	1.0%	485	33.9%
Bayfield	648	0.3%	878,265	1,355	(2,811,398)	(4,339)	297,312	0.2%	459	33.9%
Brown	9,517	3.9%	15,012,341	1,577	125,723,651	13,210	4,631,816	3.6%	487	30.9%
Buffalo	645	0.3%	958,341	1,486	7,060,472	10,946	330,722	0.3%	513	34.5%
Burnett	741	0.3%	993,818	1,341	8,931,481	12,053	353,498	0.3%	477	35.6%
Calumet	1,269	0.5%	2,171,320	1,711	17,063,681	13,447	593,810	0.5%	468	27.3%
Chippewa	2,722	1.1%	3,708,897	1,363	34,615,877	12,717	1,350,964	1.1%	496	36.4%
Clark	1,770	0.7%	2,576,716	1,456	20,372,689	11,510	963,712	0.8%	544	37.4%
Columbia	1,970	0.8%	3,702,870	1,880	25,106,508	12,744	1,005,954	0.8%	511	27.2%
Crawford	898	0.4%	1,321,896	1,472	11,680,530	13,007	445,184	0.3%	496	33.7%
Dane	16,928	6.9%	30,770,033	1,818	171,179,154	10,112	9,165,336	7.1%	541	29.8%
Dodge	2,987	1.2%	5,422,923	1,816	42,030,008	14,071	1,442,598	1.1%	483	26.6%
Door	1,319	0.5%	2,253,291	1,708	16,807,264	12,742	679,090	0.5%	515	30.1%
Douglas	2,090	0.8%	2,674,195	1,280	26,238,927	12,555	994,644	0.8%	476	37.2%
Dunn	1,561	0.6%	2,472,483	1,584	19,122,748	12,250	792,820	0.6%	508	32.1%
Eau Claire	4,892	2.0%	6,764,350	1,383	63,698,856	13,021	2,341,446	1.8%	479	34.6%
Florence	233	0.1%	291,201	1,250	2,894,475	12,423	102,382	0.1%	439	35.2%
Fond du Lac	3,823	1.5%	5,884,570	1,539	53,613,314	14,024	1,767,480	1.4%	462	30.0%
Forest	435	0.2%	503,171	1,157	5,342,070	12,281	178,978	0.1%	411	35.6%
Grant	1,929	0.8%	2,752,673	1,427	23,201,907	12,028	945,166	0.7%	490	34.3%
Green	1,556	0.6%	2,806,766	1,804	21,341,936	13,716	775,780	0.6%	499	27.6%
Green Lake	881	0.4%	1,486,970	1,688	11,918,486	13,528	451,298	0.4%	512	30.4%
Iowa	862	0.3%	1,485,561	1,723	11,420,255	13,249	447,444	0.3%	519	30.1%
Iron	423	0.2%	507,367	1,199	5,256,566	12,427	171,042	0.1%	404	33.7%
Jackson	784	0.3%	1,131,926	1,444	9,282,038	11,839	408,384	0.3%	521	36.1%
Jefferson	2,619	1.1%	4,817,134	1,839	36,930,968	14,101	1,254,372	1.0%	479	26.0%
Juneau	1,283	0.5%	1,828,054	1,425	16,116,744	12,562	634,862	0.5%	495	34.7%
Kenosha	6,504	2.6%	12,543,943	1,929	87,570,006	13,464	3,479,960	2.7%	535	27.7%
Kewaunee	725	0.3%	1,189,944	1,641	8,705,059	12,007	357,350	0.3%	493	30.0%
La Crosse	5,414	2.2%	8,072,791	1,491	71,146,669	13,141	2,602,572	2.0%	481	32.2%
Lafayette	634	0.3%	1,035,670	1,634	7,715,680	12,170	329,160	0.3%	519	31.8%
Langlade	1,262	0.5%	1,551,161	1,229	15,916,158	12,612	586,622	0.5%	465	37.8%
Lincoln	1,376	0.6%	1,855,265	1,348	18,236,693	13,253	635,746	0.5%	462	34.3%
Manitowoc	3,685	1.5%	5,509,374	1,495	50,750,501	13,772	1,723,672	1.3%	468	31.3%

TABLE 10 (Continued)
 HOMESTEAD CREDIT BY COUNTY, FY10

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,616	2%	\$ 9,037,568	\$ 1,609	\$ 74,928,454	\$ 13,342	\$ 2,852,970	2%	\$ 508	31.6%
Marinette	2,060	1%	2,398,920	1,165	25,486,029	12,372	927,826	1%	450	38.7%
Marquette	839	0%	1,379,922	1,645	11,353,677	13,532	436,044	0%	520	31.6%
Menominee	32	0%	59,246	1,851	443,926	13,873	16,128	0%	504	27.2%
Milwaukee	60,572	25%	104,767,900	1,730	780,034,980	12,878	34,784,012	27%	574	33.2%
Monroe	1,802	1%	2,626,795	1,458	23,043,932	12,788	919,902	1%	510	35.0%
Oconto	1,635	1%	2,451,152	1,499	21,571,405	13,194	818,098	1%	500	33.4%
Oneida	1,763	1%	2,544,591	1,443	24,110,860	13,676	833,482	1%	473	32.8%
Outagamie	6,385	3%	10,401,083	1,629	86,969,906	13,621	3,073,558	2%	481	29.6%
Ozaukee	2,176	1%	5,073,607	2,332	28,251,726	12,983	1,127,040	1%	518	22.2%
Pepin	384	0%	637,638	1,661	4,963,127	12,925	194,710	0%	507	30.5%
Pierce	1,036	0%	1,912,756	1,846	13,282,422	12,821	555,676	0%	536	29.1%
Polk	1,878	1%	3,138,464	1,671	24,895,214	13,256	943,890	1%	503	30.1%
Portage	2,892	1%	4,293,233	1,485	37,658,615	13,022	1,450,304	1%	501	33.8%
Price	751	0%	983,233	1,309	9,776,479	13,018	370,336	0%	493	37.7%
Racine	8,782	4%	16,036,135	1,826	115,271,657	13,126	4,949,010	4%	564	30.9%
Richland	788	0%	1,121,012	1,423	9,919,656	12,588	407,116	0%	517	36.3%
Rock	7,168	3%	11,174,048	1,559	94,624,860	13,201	3,724,082	3%	520	33.3%
Rusk	837	0%	1,082,068	1,293	10,017,075	11,968	380,830	0%	455	35.2%
St. Croix	2,053	1%	3,694,196	1,799	25,332,765	12,339	1,039,596	1%	506	28.1%
Sauk	2,502	1%	4,301,034	1,719	33,684,425	13,463	1,272,412	1%	509	29.6%
Sawyer	686	0%	814,197	1,187	8,040,803	11,721	320,580	0%	467	39.4%
Shawano	2,034	1%	2,903,146	1,427	26,808,425	13,180	973,566	1%	479	33.5%
Sheboygan	4,864	2%	7,977,708	1,640	68,309,594	14,044	2,285,954	2%	470	28.7%
Taylor	996	0%	1,479,775	1,486	12,567,719	12,618	541,682	0%	544	36.6%
Trempealeau	1,198	0%	1,951,634	1,629	15,656,721	13,069	645,468	1%	539	33.1%
Vernon	1,624	1%	2,587,869	1,594	19,328,340	11,902	875,090	1%	539	33.8%
Vilas	1,055	0%	1,483,816	1,406	13,448,792	12,748	509,884	0%	483	34.4%
Walworth	3,276	1%	7,015,189	2,141	34,374,987	10,493	1,817,658	1%	555	25.9%
Washburn	910	0%	1,243,850	1,367	11,339,690	12,461	450,046	0%	495	36.2%
Washington	3,722	2%	7,449,346	2,001	51,074,735	13,722	1,832,034	1%	492	24.6%
Waukesha	8,836	4%	20,580,181	2,329	111,069,832	12,570	4,417,720	3%	500	21.5%
Waupaca	2,557	1%	3,920,790	1,533	5,829,581	2,280	1,264,888	1%	495	32.3%
Waushara	1,216	0%	1,811,093	1,489	15,980,056	13,141	605,214	0%	498	33.4%
Winnebago	6,891	3%	10,843,684	1,574	86,526,710	12,556	3,357,868	3%	487	31.0%
Wood	3,642	1%	4,856,531	1,333	48,786,306	13,395	1,675,636	1%	460	34.5%
Unknown	2,769	1%	4,449,674	1,607	35,254,175	12,732	1,461,298	1%	528	32.8%
Total	247,011	100.0%	\$ 413,514,829	\$ 1,674	\$ 3,120,843,038	\$ 12,634	\$ 128,456,380	100.0%	\$ 520	31.1%

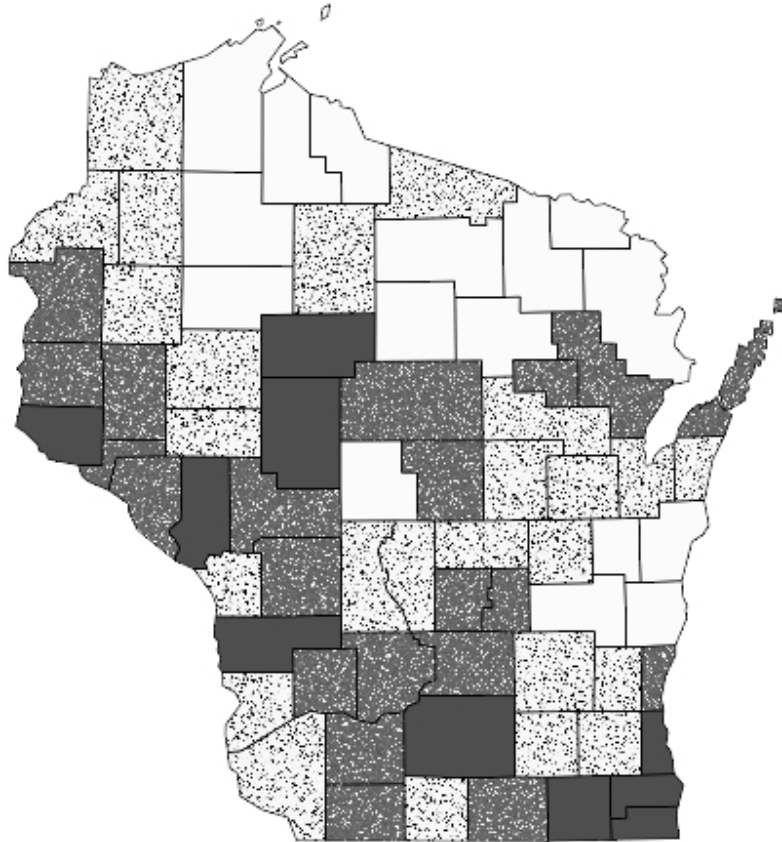
Note: Detail may not sum to total due to rounding.

MAP 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY10



Total Credit Claimed Less than \$0.5M \$0.5M to \$1M \$1M to \$1.5M More than \$1.5M

MAP 2
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY09



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

