

# THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2011

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## **THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY11**

### **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 250,845 Wisconsin tax filers claimed Homestead credits amounting to \$132.9 million in FY11. The average credit was \$530.

### **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 \$1,168 for those with household income of no more than \$8,060 and property taxes of \$1,460. The amount of the credit phases out as income surpasses \$8,060 and no credit is available for those with income over \$24,680.

#### **1. Eligibility Criteria**

The basic requirements for Homestead relief relate to age and income. To qualify for benefits on claims filed in 2011, for property taxes accrued in 2010, 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 \$24,680. 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 \$500 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 2011 claims, the credit is available to households with income less than \$24,680. The maximum amount of property taxes recognized by the formula is \$1,460. 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.

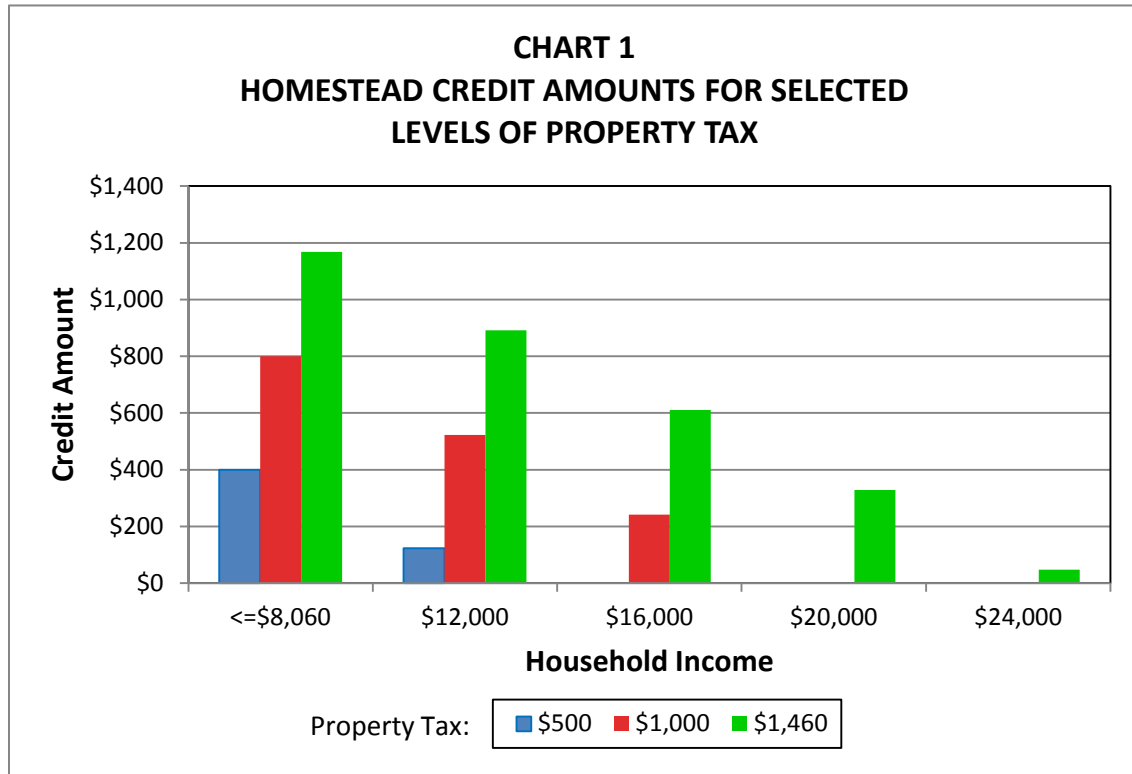
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2010 or \$1,460, the maximum property tax allowed.
- The income threshold, the amount of household income at which Homestead benefits begin to phase out, is \$8,060. For persons with income equal to or below the threshold, the credit is 80% of the property tax paid (up to \$1,460).
- For persons with income above \$8,060, the credit is equal to 80% of the amount by which the reported property tax exceeds 8.785% of household income in excess of \$8,060. That is:

$$\text{Credit} = .80 \times [\text{minimum}(\text{claimant's property tax, } \$1,460) - .08785 \times (\text{household income} - \$8,060)].$$

- The maximum credit available is \$1,168 (i.e., 80% x \$1,460).

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 2011 saw the highest amount of credits paid, \$132.9 million to about 251,000 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 \$530 in FY2011.

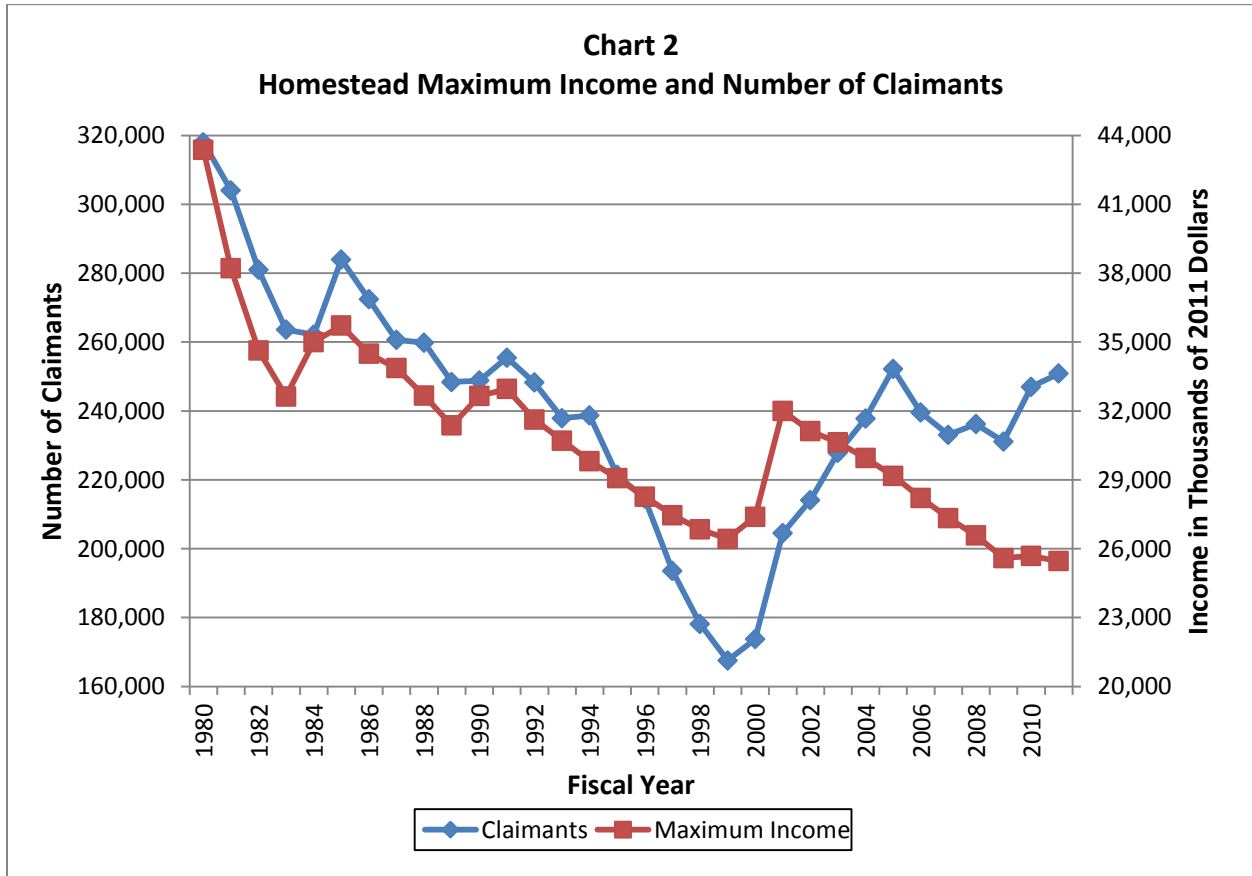
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

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 FY2011, 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.

**TABLE 1**  
**WISCONSIN HOMESTEAD TAX CREDITS**  
**FY65 - FY11**

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%
2011	\$132,870,216	3.4%	250,845	1.6%	\$530	1.9%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2011 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 \$43,400 in 2011 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 - FY11**

<b>Fiscal Years</b>	<b>Minimum Age</b>	<b>Maximum Benefit (\$)</b>	<b>Maximum Income (\$)</b>	<b>Property Tax Ceiling (\$)</b>	<b>Relief Rate</b>	<b>Income Threshold (\$)</b>	<b>Maximum Acres</b>
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
2011	18	1168	24,680	1,460	80%	8,060	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 was 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 was 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 FY2011, the average property tax (or property tax equivalent<sup>1</sup>), 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 29% of the claimants and 25% 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, FY11**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	3,483	1.4%	\$ 5,081,356	\$ 1,459	\$ 43,238,010	\$ 12,414	\$ 1,907,694	1.4%	\$ 548	37.5%
18-25	25,912	10.3%	29,449,089	1,137	300,380,728	11,592	13,194,672	9.9%	509	44.8%
26-35	37,743	15.0%	56,519,595	1,497	486,655,735	12,894	20,862,956	15.7%	553	36.9%
36-45	30,678	12.2%	52,187,164	1,701	386,412,057	12,596	17,908,372	13.5%	584	34.3%
46-55	43,546	17.4%	74,609,814	1,713	501,290,216	11,512	25,424,888	19.1%	584	34.1%
56-60	20,467	8.2%	36,251,923	1,771	237,523,298	11,605	11,723,808	8.8%	573	32.3%
61-62	7,233	2.9%	12,673,791	1,752	90,750,702	12,547	3,993,372	3.0%	552	31.5%
63-65	9,182	3.7%	15,914,856	1,733	119,807,226	13,048	4,616,610	3.5%	503	29.0%
66 and older	72,601	28.9%	139,204,487	1,917	1,102,726,683	15,189	33,237,844	25.0%	458	23.9%
Total	250,845	100.0%	\$ 421,892,075	\$ 1,682	\$ 3,268,784,655	\$ 13,031	\$ 132,870,216	100.0%	\$ 530	31.5%

## 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 FY2011 was \$13,031. The average income of renters was somewhat lower at \$12,568, while the average income of homeowners was higher at \$13,742. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$980 for the lowest income group to \$318 for the highest income group.

<sup>1</sup> 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 , FY11**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	4,965	2.0%	\$ 12,618,466	\$ 2,541	\$ 4,864,244	3.7%	\$ 980	38.5%
\$0 to \$2,500	5,475	2.2%	8,469,285	1,547	4,701,504	3.5%	859	55.5%
\$2,500 to \$8,000	26,728	10.7%	34,694,508	1,298	21,385,488	16.1%	800	61.6%
\$8,000 to \$15,000	107,893	43.0%	147,333,678	1,366	68,251,348	51.4%	633	46.3%
\$15,000 to \$24,500	105,784	42.2%	218,776,138	2,068	33,667,632	25.3%	318	15.4%
<b>Total</b>	<b>250,845</b>	<b>100.0%</b>	<b>\$ 421,892,075</b>	<b>\$ 1,682</b>	<b>\$ 132,870,216</b>	<b>100.0%</b>	<b>\$ 530</b>	<b>31.5%</b>

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 2008 Individual Income Tax Model using a stratified sample of 18,674 income tax and Homestead credit returns filed for tax year 2008 weighted to represent the population of tax filers and Homestead claimants. More recent data are not yet available.

Nearly four-fifths (79%) of Homestead claimants file income tax returns, though less than 3% 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 \$188 and the average Homestead credit was \$485, so the vast majority of these claimants receive a refund check.

TABLE 5  
SOURCES OF HOUSEHOLD INCOME FOR HOMESTEAD FILERS, 2008

	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.
<b>TAXABLE SOURCES</b>									
Wages	\$ 1,292,587,078	57.6%	110,425	N/A	N/A	N/A	N/A	N/A	N/A
Interest and Dividends	122,872,675	5.5%	78,697	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	1,415,459,753	63.1%	159,481	\$ 22,886,424	3.6%	14,652	\$ 1,438,346,177	50.0%	\$ 8,260
Farm Income	-49,732,638	-2.2%	3,811	N/A	N/A	N/A	N/A	N/A	N/A
Business Income	8,485,200	0.4%	27,513	N/A	N/A	N/A	N/A	N/A	N/A
Other Taxable	-254,954,872	-11.4%	106,606	5,009,652	0.8%	3,552	-249,945,220	-8.7%	-2,269
Total Taxable	1,119,257,443	49.9%	171,327	27,896,076	4.4%	14,652	1,147,153,519	39.9%	6,168
<b>NONTAXABLE SOURCES</b>									
Social Security	819,780,710	36.5%	69,267	564,932,280	89.0%	46,398	1,384,712,990	48.1%	11,972
Rail Road Retirement	401,653	0.0%	335	0	0.0%	0	401,653	0.0%	1,199
Unemployment Comp.	56,815,223	2.5%	17,578	4,586,964	0.7%	888	61,402,187	2.1%	3,325
Pensions	21,044,794	0.9%	7,273	38,264,808	6.0%	11,100	59,309,602	2.1%	3,228
Public Assistance	2,508,378	0.1%	1,110	0	0.0%	0	2,508,378	0.1%	2,260
Other Nontaxable	57,656,946	2.6%	30,077	0	0.0%	0	57,656,946	2.0%	1,917
Total Nontaxable	958,207,704	42.7%	108,909	607,784,052	95.8%	48,174	1,565,991,756	54.4%	9,969
<b>DEPENDENT DEDUCTION</b>									
	22,604,750	1.0%	51,576	1,221,000	0.2%	1,776	23,825,750	0.8%	447
<b>TOTAL INCOME</b>	<b>\$ 2,243,834,860</b>	<b>100.0%</b>	<b>182,427</b>	<b>\$ 634,539,936</b>	<b>100.0%</b>	<b>48,174</b>	<b>\$ 2,878,374,796</b>	<b>100.0%</b>	<b>12,482</b>

Source: 2008 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 2011, the Homestead formula reduces household income by \$500 for each dependent in a household. Prior to 2011, the dependent deduction was \$250. For households with income in excess of \$8,060, this provision increases the credit by about \$35 per dependent. Homestead claimants reported a total of 105,686 dependents in FY11. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6  
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY11

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	767	1.1%	1,947	6.0%	2,714	2.6%
\$0 to \$2,500	1,557	2.1%	751	2.3%	2,308	2.2%
\$2,500 to \$8,000	9,987	13.7%	2,990	9.1%	12,977	12.3%
\$8,000 to \$15,000	31,960	43.8%	9,308	28.4%	41,268	39.0%
\$15,000 to \$24,500	28,695	39.3%	17,724	54.2%	46,419	43.9%
Total	72,966	100%	32,720	100%	105,686	100%

TABLE 7  
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY11

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	1,078	1.5%	227	0.7%	1,305	1.2%
18-25	11,290	15.5%	803	2.5%	12,093	11.4%
26-35	30,043	41.2%	6,874	21.0%	36,917	34.9%
36-45	18,826	25.8%	11,596	35.4%	30,422	28.8%
46-55	9,186	12.6%	9,617	29.4%	18,803	17.8%
56-60	1,433	2.0%	1,852	5.7%	3,285	3.1%
61-62	299	0.4%	429	1.3%	728	0.7%
63-65	265	0.4%	326	1.0%	591	0.6%
66 and older	546	0.7%	996	3.0%	1,542	1.5%
Total	72,966	100.0%	32,720	100.0%	105,686	100.0%

#### 5. Housing Status

Homeowners received \$54.4 million (or 41%) of the total \$132.9 million in credits in FY11 and renters received \$78.5 million (or 59%). Homeowners accounted for 39% of the number of claims and renters the remaining 61% of claims. As a result, the average credit for homeowners was \$550, compared with an average of \$517 for renters. Tables 8 and 9 show the distribution of benefits for 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, FY11

Renters								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,120	1.4%	\$ 2,640,038	\$ 1,245	\$ 1,797,358	2.3%	\$ 848	68.1%
\$0 to \$2,500	3,412	2.2%	3,655,106	1,071	2,590,128	3.3%	759	70.9%
\$2,500 to \$8,000	19,579	12.9%	19,565,493	999	14,231,552	18.1%	727	72.7%
\$8,000 to \$15,000	77,284	50.9%	85,097,634	1,101	44,768,094	57.0%	579	52.6%
\$15,000 to \$24,500	49,515	32.6%	78,853,113	1,593	15,094,682	19.2%	305	19.1%
Total	151,910	100.0%	\$ 189,811,384	\$ 1,249	\$ 78,481,814	100.0%	\$ 517	41.3%

Owners								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,845	2.9%	\$ 9,978,428	\$ 3,507	\$ 3,066,886	5.6%	\$ 1,078	30.7%
\$0 to \$2,500	2,063	2.1%	4,814,179	2,334	2,111,376	3.9%	1,023	43.9%
\$2,500 to \$8,000	7,149	7.2%	15,129,015	2,116	7,153,936	13.2%	1,001	47.3%
\$8,000 to \$15,000	30,609	30.9%	62,236,044	2,033	23,483,254	43.2%	767	37.7%
\$15,000 to \$24,500	56,269	56.9%	139,923,025	2,487	18,572,950	34.1%	330	13.3%
Total	98,935	100.0%	\$ 232,080,691	\$ 2,346	\$ 54,388,402	100.0%	\$ 550	23.4%

TABLE 9  
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY11

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	2,563	1.7%	\$ 3,031,553	\$ 1,183	\$ 30,432,700	\$ 11,874	\$ 1,364,846	1.7%	\$ 533	45.0%
18-25	24,563	16.2%	26,803,806	1,091	280,375,227	11,415	12,481,386	15.9%	508	46.6%
26-35	31,644	20.8%	42,985,928	1,358	401,349,095	12,683	17,560,468	22.4%	555	40.9%
36-45	21,219	14.0%	29,473,755	1,389	265,317,945	12,504	12,283,584	15.7%	579	41.7%
46-55	25,728	16.9%	31,900,517	1,240	308,268,701	11,982	14,424,142	18.4%	561	45.2%
56-60	10,557	6.9%	12,210,344	1,157	126,769,040	12,008	5,500,590	7.0%	521	45.0%
61-62	3,599	2.4%	4,065,740	1,130	44,276,830	12,303	1,779,282	2.3%	494	43.8%
63-65	4,510	3.0%	5,053,444	1,120	57,298,980	12,705	2,108,798	2.7%	468	41.7%
66 and older	27,527	18.1%	34,286,297	1,246	395,140,710	14,355	10,978,718	14.0%	399	32.0%
Total	151,910	100.0%	\$ 189,811,384	\$ 1,249	\$ 1,909,229,228	\$ 12,568	\$ 78,481,814	100.0%	\$ 517	41.3%

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	920	0.9%	\$ 2,049,803	\$ 2,228	\$ 12,805,310	\$ 13,919	\$ 542,848	1.0%	\$ 590	26.5%
18-25	1,349	1.4%	2,645,283	1,961	20,005,501	14,830	713,286	1.3%	529	27.0%
26-35	6,099	6.2%	13,533,667	2,219	85,306,640	13,987	3,302,488	6.1%	541	24.4%
36-45	9,459	9.6%	22,713,409	2,401	121,094,112	12,802	5,624,788	10.3%	595	24.8%
46-55	17,818	18.0%	42,709,297	2,397	193,021,515	10,833	11,000,746	20.2%	617	25.8%
56-60	9,910	10.0%	24,041,579	2,426	110,754,258	11,176	6,223,218	11.4%	628	25.9%
61-62	3,634	3.7%	8,608,051	2,369	46,473,872	12,789	2,214,090	4.1%	609	25.7%
63-65	4,672	4.7%	10,861,412	2,325	62,508,246	13,379	2,507,812	4.6%	537	23.1%
66 and older	45,074	45.6%	104,918,190	2,328	707,585,973	15,698	22,259,126	40.9%	494	21.2%
Total	98,935	100.0%	\$ 232,080,691	\$ 2,346	\$ 1,359,555,427	\$ 13,742	\$ 54,388,402	100.0%	\$ 550	23.4%

## 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, FY11

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	1,063	0.4%	\$ 1,578,963	\$ 1,485	\$ 13,964,183	\$ 13,137	\$ 545,746	0.4%	\$ 513	34.6%
Ashland	853	0.3%	1,000,699	1,173	11,185,972	13,114	368,900	0.3%	432	36.9%
Barron	2,534	1.0%	3,596,132	1,419	34,167,562	13,484	1,233,934	0.9%	487	34.3%
Bayfield	633	0.3%	895,599	1,415	8,111,004	12,814	301,540	0.2%	476	33.7%
Brown	9,713	3.9%	15,246,856	1,570	134,519,734	13,849	4,840,638	3.6%	498	31.7%
Buffalo	676	0.3%	963,762	1,426	8,818,601	13,045	351,938	0.3%	521	36.5%
Burnett	706	0.3%	968,694	1,372	9,005,625	12,756	352,986	0.3%	500	36.4%
Calumet	1,250	0.5%	2,146,531	1,717	18,367,741	14,694	588,282	0.4%	471	27.4%
Chippewa	2,743	1.1%	3,734,444	1,361	36,108,395	13,164	1,383,106	1.0%	504	37.0%
Clark	1,739	0.7%	2,635,602	1,516	22,432,933	12,900	953,920	0.7%	549	36.2%
Columbia	2,009	0.8%	3,829,692	1,906	28,552,711	14,212	1,056,848	0.8%	526	27.6%
Crawford	846	0.3%	1,293,464	1,529	11,164,024	13,196	438,372	0.3%	518	33.9%
Dane	17,540	7.0%	32,380,495	1,846	234,436,986	13,366	9,644,202	7.3%	550	29.8%
Dodge	2,906	1.2%	5,425,829	1,867	43,060,596	14,818	1,454,522	1.1%	501	26.8%
Door	1,295	0.5%	2,287,603	1,766	18,287,156	14,121	684,558	0.5%	529	29.9%
Douglas	2,106	0.8%	2,822,663	1,340	27,359,937	12,991	1,014,468	0.8%	482	35.9%
Dunn	1,606	0.6%	2,516,270	1,567	21,166,164	13,179	831,232	0.6%	518	33.0%
Eau Claire	5,096	2.0%	7,165,898	1,406	67,896,560	13,324	2,497,482	1.9%	490	34.9%
Florence	198	0.1%	256,281	1,294	2,444,541	12,346	88,284	0.1%	446	34.4%
Fond du Lac	3,836	1.5%	6,001,701	1,565	54,856,286	14,300	1,825,094	1.4%	476	30.4%
Forest	414	0.2%	485,483	1,173	5,290,739	12,780	176,196	0.1%	426	36.3%
Grant	1,976	0.8%	2,809,188	1,422	25,966,880	13,141	965,478	0.7%	489	34.4%
Green	1,554	0.6%	2,854,448	1,837	22,184,790	14,276	775,870	0.6%	499	27.2%
Green Lake	794	0.3%	1,417,274	1,785	11,581,944	14,587	412,468	0.3%	519	29.1%
Iowa	865	0.3%	1,535,103	1,775	11,515,618	13,313	468,508	0.4%	542	30.5%
Iron	402	0.2%	478,944	1,191	5,061,822	12,592	169,324	0.1%	421	35.4%
Jackson	803	0.3%	1,202,743	1,498	10,289,246	12,814	429,936	0.3%	535	35.7%
Jefferson	2,795	1.1%	5,159,391	1,846	40,878,351	14,626	1,383,906	1.0%	495	26.8%
Juneau	1,270	0.5%	1,876,073	1,477	16,967,310	13,360	633,074	0.5%	498	33.7%
Kenosha	6,840	2.7%	13,462,956	1,968	94,995,757	13,888	3,813,434	2.9%	558	28.3%
Kewaunee	760	0.3%	1,213,708	1,597	11,020,168	14,500	368,734	0.3%	485	30.4%
La Crosse	5,517	2.2%	8,355,232	1,514	73,816,363	13,380	2,728,500	2.1%	495	32.7%
Lafayette	641	0.3%	1,050,405	1,639	8,688,988	13,555	328,286	0.2%	512	31.3%
Langlade	1,218	0.5%	1,517,290	1,246	16,068,023	13,192	574,816	0.4%	472	37.9%
Lincoln	1,333	0.5%	1,845,432	1,384	18,105,049	13,582	645,174	0.5%	484	35.0%
Manitowoc	3,641	1.5%	5,457,146	1,499	52,433,071	14,401	1,737,380	1.3%	477	31.8%

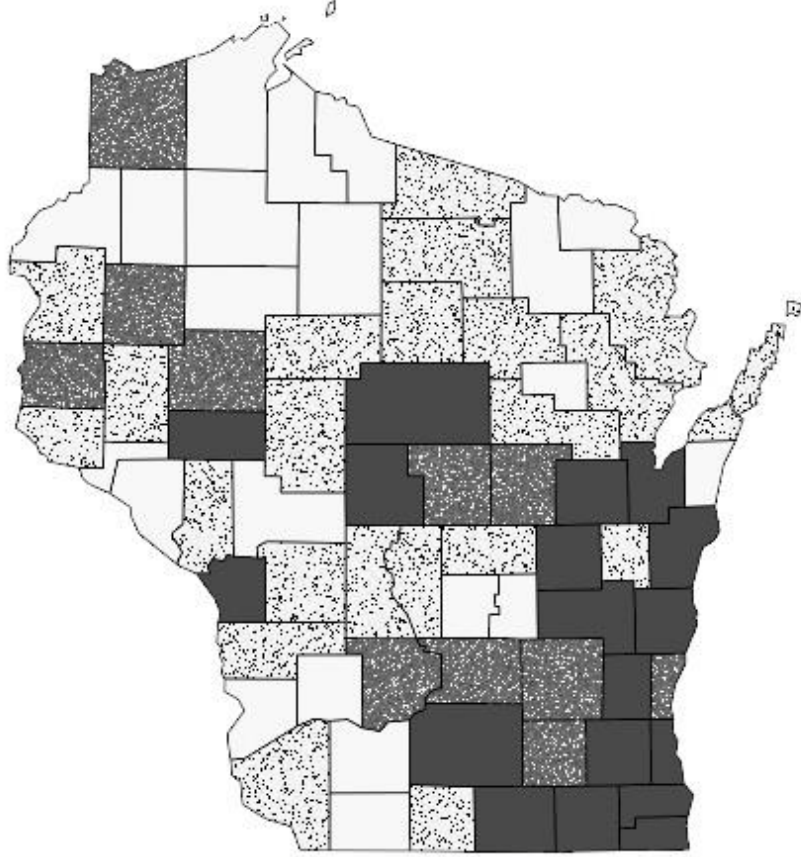
TABLE 10 (Continued)  
 HOMESTEAD CREDIT BY COUNTY, FY11

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,713	2.3%	\$ 9,014,625	\$ 1,578	\$ 80,380,388	\$ 14,070	\$ 2,926,924	2.2%	\$ 512	32.5%
Marinette	2,039	0.8%	2,427,592	1,191	26,210,501	12,855	941,296	0.7%	462	38.8%
Marquette	834	0.3%	1,378,495	1,653	11,831,800	14,187	422,392	0.3%	506	30.6%
Menominee	25	0.0%	49,500	1,980	337,482	13,499	10,588	0.0%	424	21.4%
Milwaukee	61,974	24.7%	106,753,463	1,723	811,352,148	13,092	36,286,652	27.3%	586	34.0%
Monroe	1,777	0.7%	2,615,015	1,472	23,470,267	13,208	908,500	0.7%	511	34.7%
Oconto	1,558	0.6%	2,266,485	1,455	21,048,872	13,510	803,258	0.6%	516	35.4%
Oneida	1,724	0.7%	2,486,878	1,443	23,954,054	13,894	845,386	0.6%	490	34.0%
Outagamie	6,649	2.7%	10,985,387	1,652	95,579,280	14,375	3,272,224	2.5%	492	29.8%
Ozaukee	2,199	0.9%	4,946,142	2,249	33,675,210	15,314	1,123,438	0.8%	511	22.7%
Pepin	373	0.1%	604,730	1,621	5,047,278	13,532	187,412	0.1%	502	31.0%
Pierce	1,063	0.4%	1,982,852	1,865	14,649,843	13,782	562,358	0.4%	529	28.4%
Polk	1,768	0.7%	2,881,380	1,630	24,695,711	13,968	872,382	0.7%	493	30.3%
Portage	2,879	1.1%	4,018,575	1,396	38,339,366	13,317	1,442,710	1.1%	501	35.9%
Price	768	0.3%	1,029,100	1,340	10,053,644	13,091	380,552	0.3%	496	37.0%
Racine	9,132	3.6%	16,852,498	1,845	125,220,121	13,712	5,302,716	4.0%	581	31.5%
Richland	729	0.3%	1,011,497	1,388	9,644,618	13,230	360,830	0.3%	495	35.7%
Rock	7,392	2.9%	11,724,368	1,586	102,143,176	13,818	3,899,976	2.9%	528	33.3%
Rusk	775	0.3%	943,192	1,217	9,771,458	12,608	363,430	0.3%	469	38.5%
St. Croix	2,007	0.8%	3,712,404	1,850	28,553,851	14,227	1,041,662	0.8%	519	28.1%
Sauk	2,574	1.0%	4,391,088	1,706	36,136,131	14,039	1,332,408	1.0%	518	30.3%
Sawyer	647	0.3%	804,933	1,244	8,326,130	12,869	304,850	0.2%	471	37.9%
Shawano	1,953	0.8%	2,921,021	1,496	27,052,181	13,852	929,808	0.7%	476	31.8%
Sheboygan	4,803	1.9%	7,740,192	1,612	68,926,308	14,351	2,308,928	1.7%	481	29.8%
Taylor	947	0.4%	1,400,715	1,479	12,636,681	13,344	500,590	0.4%	529	35.7%
Trempealeau	1,153	0.5%	1,951,473	1,693	15,924,889	13,812	607,874	0.5%	527	31.1%
Vernon	1,569	0.6%	2,527,221	1,611	19,850,296	12,652	854,350	0.6%	545	33.8%
Vilas	1,088	0.4%	1,525,690	1,402	14,774,845	13,580	517,726	0.4%	476	33.9%
Walworth	3,320	1.3%	6,971,875	2,100	47,510,272	14,310	1,840,406	1.4%	554	26.4%
Washburn	886	0.4%	1,245,540	1,406	11,520,870	13,003	443,386	0.3%	500	35.6%
Washington	3,735	1.5%	7,686,206	2,058	56,640,256	15,165	1,858,456	1.4%	498	24.2%
Waukesha	9,072	3.6%	20,777,977	2,290	135,582,153	14,945	4,608,506	3.5%	508	22.2%
Waupaca	2,529	1.0%	3,860,026	1,526	34,786,637	13,755	1,257,888	0.9%	497	32.6%
Waushara	1,181	0.5%	1,716,610	1,454	15,734,048	13,323	600,450	0.5%	508	35.0%
Winnebago	6,854	2.7%	10,838,780	1,581	96,284,849	14,048	3,372,270	2.5%	492	31.1%
Wood	3,722	1.5%	5,129,936	1,378	50,975,263	13,696	1,774,658	1.3%	477	34.6%
Unknown	3,263	1.3%	5,329,631	1,633	43,524,178	13,339	1,735,840	1.3%	532	32.6%
Total	250,845	100.0%	\$ 421,971,086	\$ 1,682	\$ 3,422,915,885	\$ 13,646	\$ 132,870,216	100.0%	\$ 530	31.5%

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

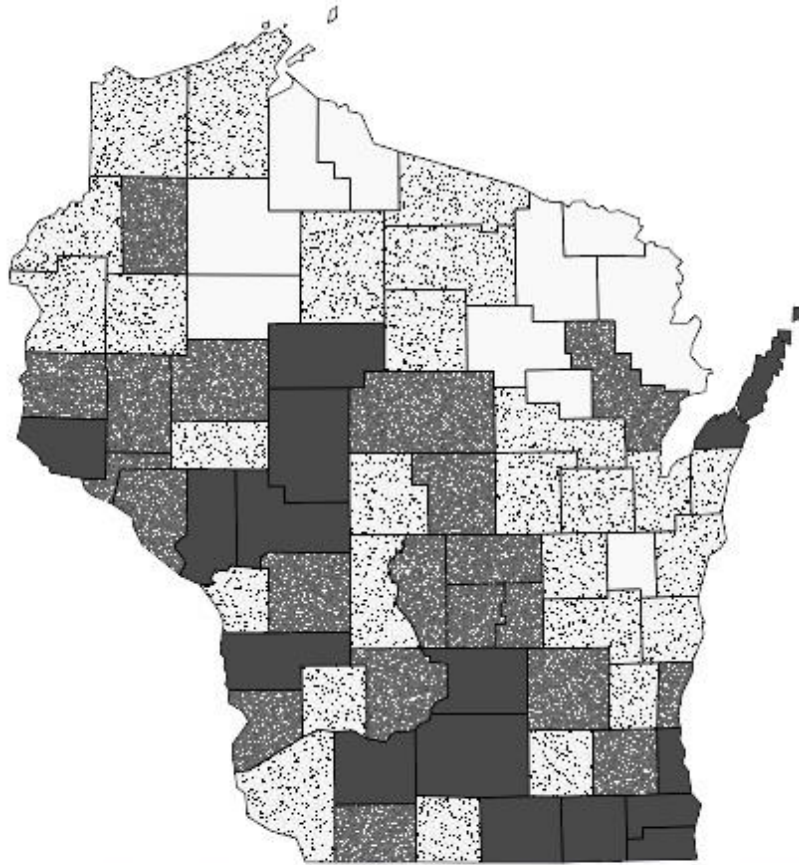


MAP 1  
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY11



**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, FY11



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

**E. APPENDIX**

The following table shows the amount of Homestead credit for selected levels of property taxes and household income up to the income ceiling. For example, when income is below \$8,000 and property taxes are \$900, the credit is \$720. When income is \$20,000 and property taxes are \$1700, the credit is \$32.

TABLE 1A  
HOMESTEAD CREDIT AMOUNTS AT SELECTED LEVELS OF INCOME AND PROPERTY TAXES

Income	Property Taxes								
	\$700	\$900	\$1,100	\$1,300	\$1,450	\$1,500	\$1,700	\$1,900	\$2,100
\$0	\$560	\$720	\$880	\$1,040	\$1,160	\$1,168	\$1,168	\$1,168	\$1,168
8,000	560	720	880	1040	1160	1168	1168	1168	1168
10,000	424	584	744	904	1024	1032	1032	1032	1032
12,000	283	443	603	763	883	891	891	891	891
14,000	143	303	463	623	743	751	751	751	751
16,000	2	162	322	482	602	610	610	610	610
18,000	0	21	181	341	461	469	469	469	469
20,000	0	0	41	201	321	329	329	329	329
22,000	0	0	0	60	180	188	188	188	188
24,000	0	0	0	0	40	48	48	48	48
24,500	\$0	\$0	\$0	\$0	\$5	\$13	\$13	\$13	\$13