

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2012

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THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY12

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 248,014 Wisconsin tax filers claimed Homestead credits amounting to \$133.0 million in FY12. The average credit was \$536.

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 2012, for property taxes accrued in 2011, 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 2012 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.

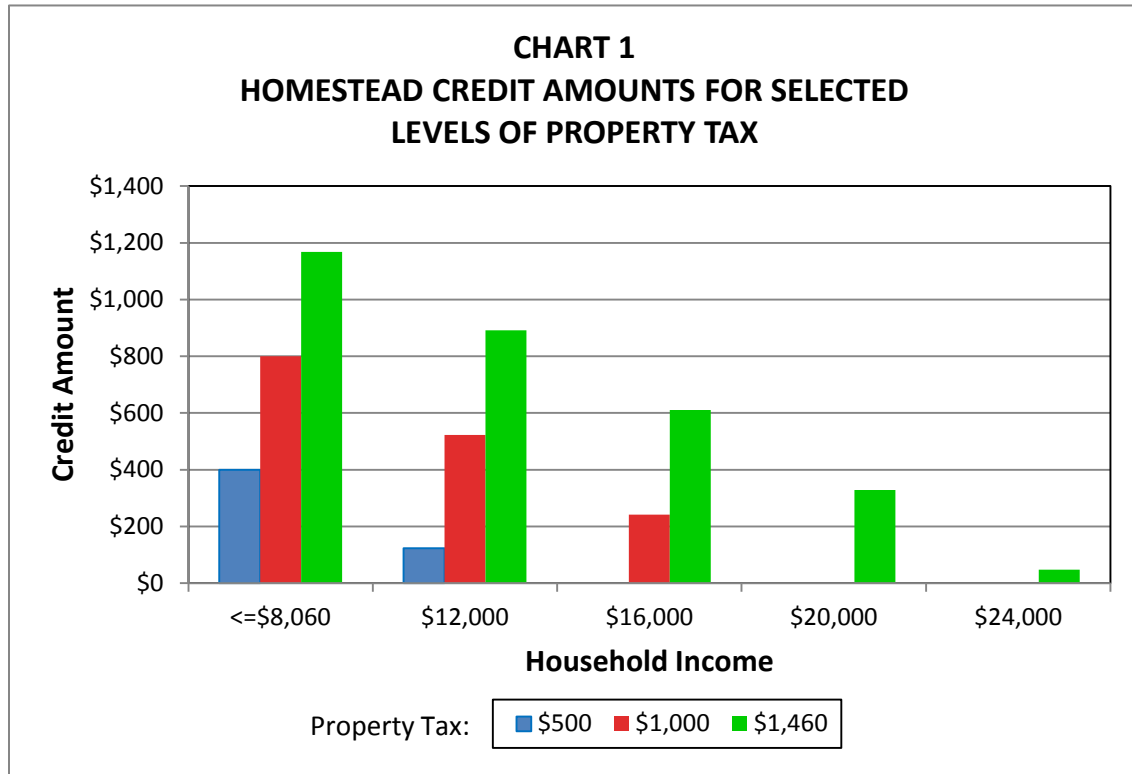
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2011 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 2012 saw the highest amount of credits paid, \$133.0 million to about 248,000 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 \$536 in FY2012.

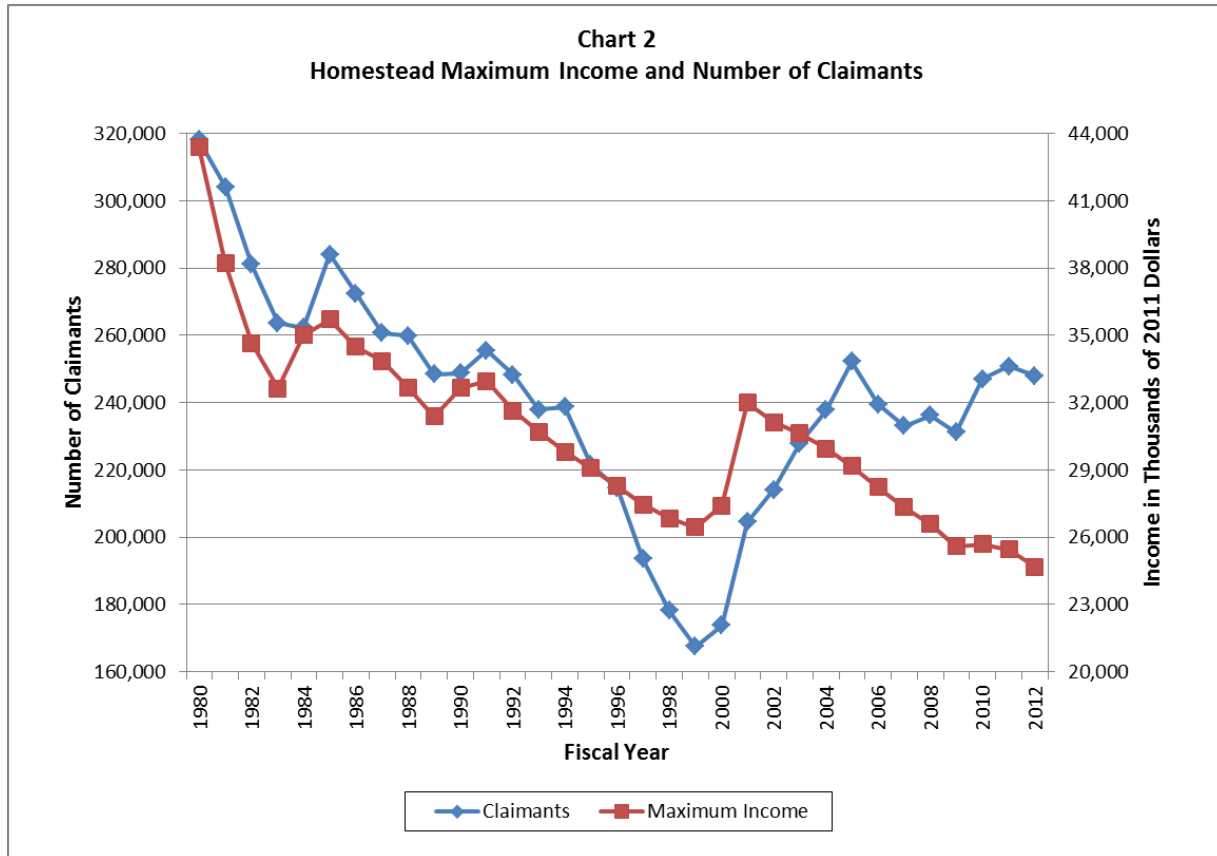
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

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 FY2012, the number of Homestead credit claimants increased by an average of 1.8% annually, but recent claims have not reached the peak of the early 1980s.

TABLE 1
WISCONSIN HOMESTEAD TAX CREDITS
FY65 - FY12

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%
2012	\$133,005,620	0.1%	248,014	-1.1%	\$536	1.2%

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 - FY12

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
2011-12	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. That deduction was increased to \$500 beginning in 2010-11.

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 FY2012, 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 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, FY12**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	3,744	1.5%	\$ 5,513,955	\$ 1,473	\$ 48,626,644	\$ 12,988	\$ 2,005,178	1.5%	\$ 536	36.4%
18-25	24,641	9.9%	28,031,164	1,138	286,651,523	11,633	12,534,034	9.4%	509	44.7%
26-35	37,050	14.9%	55,306,386	1,493	484,781,307	13,085	20,587,182	15.5%	556	37.2%
36-45	29,591	11.9%	50,253,531	1,698	383,934,438	12,975	17,594,974	13.2%	595	35.0%
46-55	42,716	17.2%	73,134,679	1,712	534,135,881	12,504	25,495,364	19.2%	597	34.9%
56-60	21,208	8.6%	37,405,798	1,764	266,069,347	12,546	12,398,478	9.3%	585	33.1%
61-62	7,605	3.1%	13,296,052	1,748	99,460,056	13,078	4,222,604	3.2%	555	31.8%
63-65	10,097	4.1%	17,594,031	1,743	141,639,690	14,028	5,157,690	3.9%	511	29.3%
66 and older	71,362	28.8%	137,544,491	1,927	1,126,741,045	15,789	33,010,116	24.8%	463	24.0%
Total	248,014	100.0%	\$ 418,080,087	\$ 1,686	\$ 3,372,039,931	\$ 13,596	\$ 133,005,620	100.0%	\$ 536	31.8%

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 FY2012 was \$13,596. The average income of renters was somewhat lower at \$12,589, while the average income of homeowners was higher at \$15,167. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$986 for the lowest income group to \$320 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 , FY12**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	4,381	1.8%	\$ 11,038,294	\$ 2,520	\$ 4,321,708	3.2%	\$ 986	39.2%
\$0 to \$2,500	5,815	2.3%	9,154,099	1,574	5,073,376	3.8%	872	55.4%
\$2,500 to \$8,000	26,391	10.6%	34,904,858	1,323	21,425,322	16.1%	812	61.4%
\$8,000 to \$15,000	108,038	43.6%	148,759,521	1,377	69,087,072	51.9%	639	46.4%
\$15,000 to \$24,500	103,389	41.7%	214,223,315	2,072	33,098,142	24.9%	320	15.5%
Total	248,014	100.0%	\$ 418,080,087	\$ 1,686	\$ 133,005,620	100.0%	\$ 536	31.8%

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.
TAXABLE SOURCES									
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
NONTAXABLE SOURCES									
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
DEPENDENT DEDUCTION									
	22,604,750	1.0%	51,576	1,221,000	0.2%	1,776	23,825,750	0.8%	447
TOTAL INCOME	\$ 2,243,834,860	100.0%	182,427	\$ 634,539,936	100.0%	48,174	\$ 2,878,374,796	100.0%	12,482

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 100,779 dependents in FY12. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY12

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	704	1.0%	1,584	5.2%	2,288	2.3%
\$0 to \$2,500	1,543	2.2%	718	2.4%	2,261	2.2%
\$2,500 to \$8,000	9,382	13.3%	2,839	9.4%	12,221	12.1%
\$8,000 to \$15,000	30,726	43.6%	8,941	29.5%	39,667	39.4%
\$15,000 to \$24,500	28,079	39.9%	16,263	53.6%	44,342	44.0%
Total	70,434	100%	30,345	100%	100,779	100%

TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY12

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	936	1.3%	267	0.9%	1,203	1.2%
18-25	10,243	14.5%	799	2.6%	11,042	11.0%
26-35	29,110	41.3%	6,219	20.5%	35,329	35.1%
36-45	18,558	26.3%	10,591	34.9%	29,149	28.9%
46-55	8,917	12.7%	8,923	29.4%	17,840	17.7%
56-60	1,502	2.1%	1,824	6.0%	3,326	3.3%
61-62	325	0.5%	458	1.5%	783	0.8%
63-65	285	0.4%	400	1.3%	685	0.7%
66 and older	558	0.8%	864	2.8%	1,422	1.4%
Total	70,434	100.0%	30,345	100.0%	100,779	100.0%

5. Housing Status

Homeowners received \$53.8 million (or 40%) of the total \$133.0 million in credits in FY12 and renters received \$79.2 million (or 60%). 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 \$556, compared with an average of \$524 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, FY12

Renters								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,842	1.2%	\$ 2,389,066	\$ 1,297	\$ 1,577,548	2.0%	\$ 856	66.0%
\$0 to \$2,500	3,606	2.4%	3,948,623	1,095	2,785,316	3.5%	772	70.5%
\$2,500 to \$8,000	19,148	12.7%	19,536,951	1,020	14,138,634	17.9%	738	72.4%
\$8,000 to \$15,000	77,465	51.3%	86,602,769	1,118	45,538,548	57.5%	588	52.6%
\$15,000 to \$24,500	49,083	32.5%	78,823,283	1,606	15,135,458	19.1%	308	19.2%
Total	151,144	100.0%	\$ 191,300,692	\$ 1,266	\$ 79,175,504	100.0%	\$ 524	41.4%

Owners								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,539	2.6%	\$ 8,649,228	\$ 3,407	\$ 2,744,160	5.1%	\$ 1,081	31.7%
\$0 to \$2,500	2,209	2.3%	5,205,476	2,356	2,288,060	4.3%	1,036	44.0%
\$2,500 to \$8,000	7,243	7.5%	15,367,907	2,122	7,286,688	13.5%	1,006	47.4%
\$8,000 to \$15,000	30,573	31.6%	62,156,752	2,033	23,548,524	43.7%	770	37.9%
\$15,000 to \$24,500	54,306	56.1%	135,400,032	2,493	17,962,684	33.4%	331	13.3%
Total	96,870	100.0%	\$ 226,779,395	\$ 2,341	\$ 53,830,116	100.0%	\$ 556	23.7%

TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY12

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	2,846	1.9%	\$ 3,445,230	\$ 1,211	\$ 35,227,750	\$ 12,378	\$ 1,493,234	1.9%	\$ 525	43.3%
18-25	23,486	15.5%	25,782,742	1,098	269,758,996	11,486	11,899,842	15.0%	507	46.2%
26-35	31,513	20.8%	43,023,635	1,365	402,575,319	12,775	17,482,108	22.1%	555	40.6%
36-45	20,858	13.8%	29,496,957	1,414	261,303,700	12,528	12,312,118	15.6%	590	41.7%
46-55	25,473	16.9%	32,124,327	1,261	304,071,392	11,937	14,615,542	18.5%	574	45.5%
56-60	11,185	7.4%	13,220,723	1,182	133,692,056	11,953	6,003,034	7.6%	537	45.4%
61-62	3,826	2.5%	4,405,333	1,151	46,786,876	12,229	1,941,784	2.5%	508	44.1%
63-65	5,002	3.3%	5,712,509	1,142	63,486,310	12,692	2,402,590	3.0%	480	42.1%
66 and older	26,955	17.8%	34,089,236	1,265	385,914,878	14,317	11,025,252	13.9%	409	32.3%
Total	151,144	100.0%	\$ 191,300,692	\$ 1,266	\$ 1,902,817,277	\$ 12,589	\$ 79,175,504	100.0%	\$ 524	41.4%

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	898	0.9%	\$ 2,068,725	\$ 2,304	\$ 13,398,894	\$ 14,921	\$ 511,944	1.0%	\$ 570	24.7%
18-25	1,155	1.2%	2,248,422	1,947	16,892,527	14,626	634,192	1.2%	549	28.2%
26-35	5,537	5.7%	12,282,751	2,218	82,205,988	14,847	3,105,074	5.8%	561	25.3%
36-45	8,733	9.0%	20,756,574	2,377	122,630,738	14,042	5,282,856	9.8%	605	25.5%
46-55	17,243	17.8%	41,010,352	2,378	230,064,489	13,342	10,879,822	20.2%	631	26.5%
56-60	10,023	10.3%	24,185,075	2,413	132,377,291	13,207	6,395,444	11.9%	638	26.4%
61-62	3,779	3.9%	8,890,719	2,353	52,673,180	13,938	2,280,820	4.2%	604	25.7%
63-65	5,095	5.3%	11,881,522	2,332	78,153,380	15,339	2,755,100	5.1%	541	23.2%
66 and older	44,407	45.8%	103,455,255	2,330	740,826,167	16,683	21,984,864	40.8%	495	21.3%
Total	96,870	100.0%	\$ 226,779,395	\$ 2,341	\$ 1,469,222,654	\$ 15,167	\$ 53,830,116	100.0%	\$ 556	23.7%

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, FY12

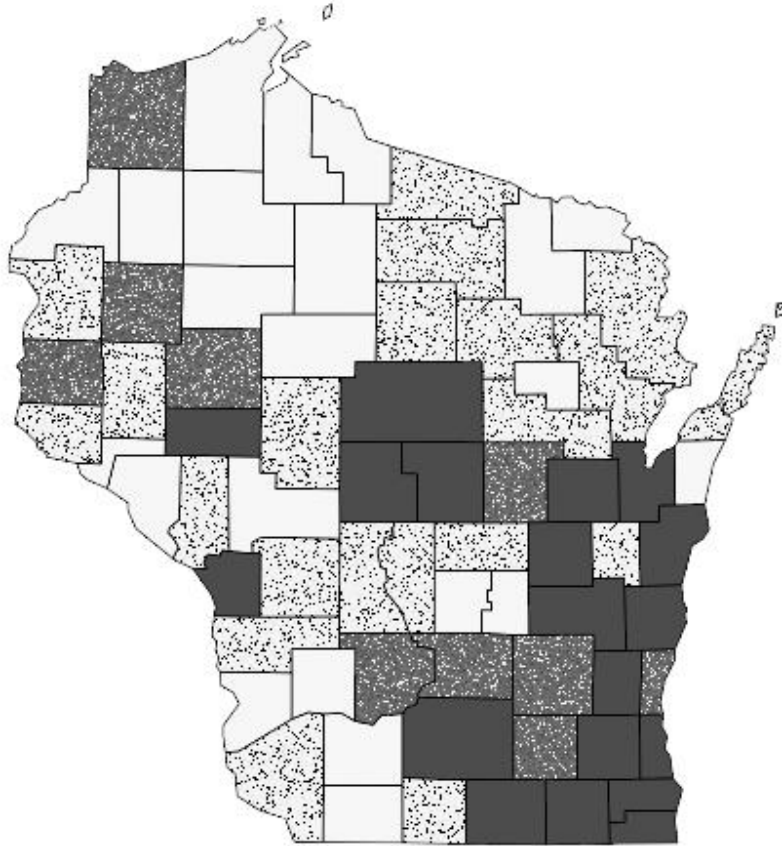
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	1,063	0.4%	\$ 1,534,400	\$ 1,443	\$ 14,044,249	\$ 13,212	\$ 537,398	0.4%	\$ 506	35.0%
Ashland	776	0.3%	934,038	1,204	9,952,091	12,825	346,512	0.3%	447	37.1%
Barron	2,448	1.0%	3,462,936	1,415	32,989,551	13,476	1,198,474	0.9%	490	34.6%
Bayfield	663	0.3%	896,236	1,352	8,502,136	12,824	318,250	0.2%	480	35.5%
Brown	9,741	3.9%	15,477,522	1,589	134,342,048	13,791	4,921,436	3.7%	505	31.8%
Buffalo	636	0.3%	907,582	1,427	8,485,350	13,342	327,524	0.2%	515	36.1%
Burnett	675	0.3%	925,783	1,372	8,842,024	13,099	329,408	0.2%	488	35.6%
Calumet	1,247	0.5%	2,228,594	1,787	18,321,140	14,692	612,336	0.5%	491	27.5%
Chippewa	2,759	1.1%	3,923,213	1,422	36,759,907	13,324	1,413,148	1.1%	512	36.0%
Clark	1,608	0.6%	2,376,437	1,478	20,656,850	12,846	868,108	0.7%	540	36.5%
Columbia	1,900	0.8%	3,668,059	1,931	27,190,250	14,311	1,005,798	0.8%	529	27.4%
Crawford	800	0.3%	1,223,883	1,530	10,751,300	13,439	412,380	0.3%	515	33.7%
Dane	17,231	6.9%	32,579,996	1,891	231,293,857	13,423	9,599,282	7.2%	557	29.5%
Dodge	2,884	1.2%	5,324,160	1,846	42,583,416	14,765	1,466,632	1.1%	509	27.5%
Door	1,227	0.5%	2,059,857	1,679	17,345,744	14,137	632,484	0.5%	515	30.7%
Douglas	2,138	0.9%	2,889,233	1,351	27,823,819	13,014	1,055,276	0.8%	494	36.5%
Dunn	1,598	0.6%	2,564,185	1,605	20,790,323	13,010	839,616	0.6%	525	32.7%
Eau Claire	5,030	2.0%	7,104,135	1,412	66,450,027	13,211	2,540,090	1.9%	505	35.8%
Florence	208	0.1%	308,230	1,482	2,517,262	12,102	91,704	0.1%	441	29.8%
Fond du Lac	3,926	1.6%	6,174,894	1,573	55,798,275	14,213	1,917,070	1.4%	488	31.0%
Forest	459	0.2%	530,362	1,155	5,688,768	12,394	199,718	0.2%	435	37.7%
Grant	1,970	0.8%	2,759,189	1,401	25,337,372	12,862	985,736	0.7%	500	35.7%
Green	1,512	0.6%	2,731,623	1,807	21,597,303	14,284	778,754	0.6%	515	28.5%
Green Lake	829	0.3%	1,430,994	1,726	11,913,994	14,372	433,184	0.3%	523	30.3%
Iowa	839	0.3%	1,523,012	1,815	11,517,977	13,728	457,756	0.3%	546	30.1%
Iron	391	0.2%	529,520	1,354	4,851,151	12,407	165,652	0.1%	424	31.3%
Jackson	763	0.3%	1,151,519	1,509	10,168,845	13,327	404,466	0.3%	530	35.1%
Jefferson	2,798	1.1%	5,337,463	1,908	40,780,860	14,575	1,411,160	1.1%	504	26.4%
Juneau	1,304	0.5%	1,823,533	1,398	17,117,169	13,127	646,270	0.5%	496	35.4%
Kenosha	6,872	2.8%	13,340,488	1,941	94,003,166	13,679	3,871,912	2.9%	563	29.0%
Kewaunee	764	0.3%	1,200,062	1,571	10,787,594	14,120	379,902	0.3%	497	31.7%
La Crosse	5,390	2.2%	8,245,027	1,530	71,947,999	13,348	2,733,334	2.1%	507	33.2%
Lafayette	646	0.3%	1,049,052	1,624	8,735,611	13,523	335,280	0.3%	519	32.0%
Langlade	1,259	0.5%	1,644,074	1,306	16,246,783	12,905	626,854	0.5%	498	38.1%
Lincoln	1,337	0.5%	1,886,027	1,411	17,888,792	13,380	668,646	0.5%	500	35.5%
Manitowoc	3,682	1.5%	5,573,702	1,514	52,639,208	14,296	1,786,892	1.3%	485	32.1%

TABLE 10 (Continued)
 HOMESTEAD CREDIT BY COUNTY, FY12

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,805	2%	\$ 9,121,127	\$ 1,571	\$ 80,970,242	\$ 13,948	\$ 3,024,148	2%	\$ 521	33.2%
Marinette	1,940	1%	2,292,820	1,182	25,094,810	12,935	884,456	1%	456	38.6%
Marquette	797	0%	1,289,696	1,618	10,858,104	13,624	423,104	0%	531	32.8%
Menominee	28	0%	64,584	2,307	350,228	12,508	15,496	0%	553	24.0%
Milwaukee	60,183	24%	104,298,564	1,733	786,951,020	13,076	35,526,668	27%	590	34.1%
Monroe	1,763	1%	2,638,555	1,497	23,467,830	13,311	912,190	1%	517	34.6%
Oconto	1,552	1%	2,287,216	1,474	20,933,001	13,488	801,616	1%	517	35.0%
Oneida	1,717	1%	2,402,695	1,399	23,434,327	13,648	837,018	1%	487	34.8%
Outagamie	6,650	3%	11,023,217	1,658	95,512,009	14,363	3,347,046	3%	503	30.4%
Ozaukee	2,200	1%	4,830,529	2,196	32,584,771	14,811	1,188,306	1%	540	24.6%
Pepin	345	0%	574,742	1,666	4,656,358	13,497	177,366	0%	514	30.9%
Pierce	1,021	0%	1,786,093	1,749	13,455,696	13,179	546,576	0%	535	30.6%
Polk	1,750	1%	2,700,909	1,543	23,955,179	13,689	883,078	1%	505	32.7%
Portage	2,933	1%	4,183,258	1,426	38,481,869	13,120	1,519,124	1%	518	36.3%
Price	761	0%	993,994	1,306	9,982,735	13,118	378,048	0%	497	38.0%
Racine	9,157	4%	16,758,394	1,830	124,558,786	13,603	5,370,894	4%	587	32.0%
Richland	751	0%	1,031,139	1,373	9,827,340	13,086	377,842	0%	503	36.6%
Rock	7,576	3%	11,859,302	1,565	102,725,663	13,559	4,065,670	3%	537	34.3%
Rusk	775	0%	949,248	1,225	9,945,989	12,834	360,282	0%	465	38.0%
St. Croix	1,918	1%	3,413,517	1,780	26,926,247	14,039	1,011,548	1%	527	29.6%
Sauk	2,597	1%	4,484,033	1,727	36,833,112	14,183	1,341,194	1%	516	29.9%
Sawyer	607	0%	744,620	1,227	7,509,524	12,372	300,208	0%	495	40.3%
Shawano	1,876	1%	2,681,817	1,430	25,622,544	13,658	922,714	1%	492	34.4%
Sheboygan	4,901	2%	7,958,823	1,624	69,389,882	14,158	2,407,478	2%	491	30.2%
Taylor	893	0%	1,351,209	1,513	11,795,304	13,209	484,682	0%	543	35.9%
Trempealeau	1,106	0%	1,798,583	1,626	14,947,994	13,515	612,814	0%	554	34.1%
Vernon	1,496	1%	2,445,749	1,635	19,435,159	12,991	804,976	1%	538	32.9%
Vilas	1,086	0%	1,504,073	1,385	14,395,390	13,255	534,284	0%	492	35.5%
Walworth	3,249	1%	6,827,631	2,101	46,222,194	14,227	1,844,174	1%	568	27.0%
Washburn	875	0%	1,174,618	1,342	11,292,317	12,906	437,470	0%	500	37.2%
Washington	3,641	1%	7,377,115	2,026	54,938,609	15,089	1,823,286	1%	501	24.7%
Waukesha	9,024	4%	20,555,280	2,278	135,006,351	14,961	4,606,750	3%	510	22.4%
Waupaca	2,516	1%	3,833,913	1,524	34,947,803	13,890	1,260,268	1%	501	32.9%
Waushara	1,147	0%	1,797,476	1,567	15,714,628	13,701	588,320	0%	513	32.7%
Winnebago	6,867	3%	11,024,313	1,605	95,138,883	13,855	3,499,026	3%	510	31.7%
Wood	3,789	2%	5,206,984	1,374	51,943,376	13,709	1,806,524	1%	477	34.7%
Unknown	3,349	1%	5,495,231	1,641	45,572,445	13,608	1,762,534	1%	526	32.1%
Total	248,014	100.0%	\$ 418,080,087	\$ 1,686	\$ 3,372,039,930	\$ 13,596	\$ 133,005,620	100.0%	\$ 536	31.8%

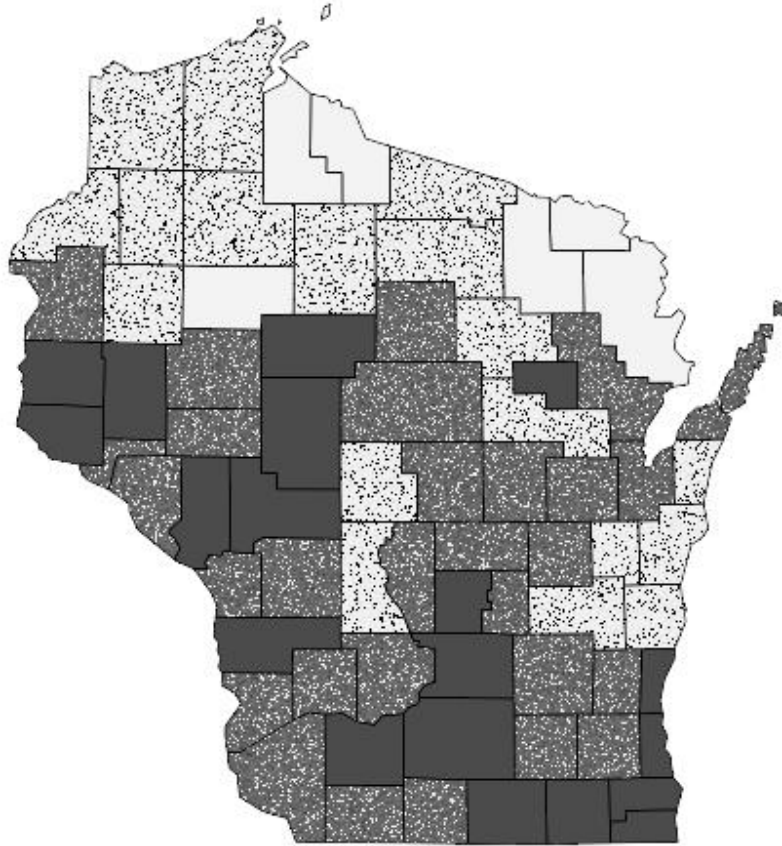
Note: Detail may not sum to total due to rounding.

MAP 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY12



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, FY12



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 \$1,700, 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