

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2013

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THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY13

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 232,676 Wisconsin tax filers claimed Homestead credits amounting to \$121.8 million in FY13. The average credit was \$523.

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 2013, for property taxes accrued in 2012, 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 2013 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.

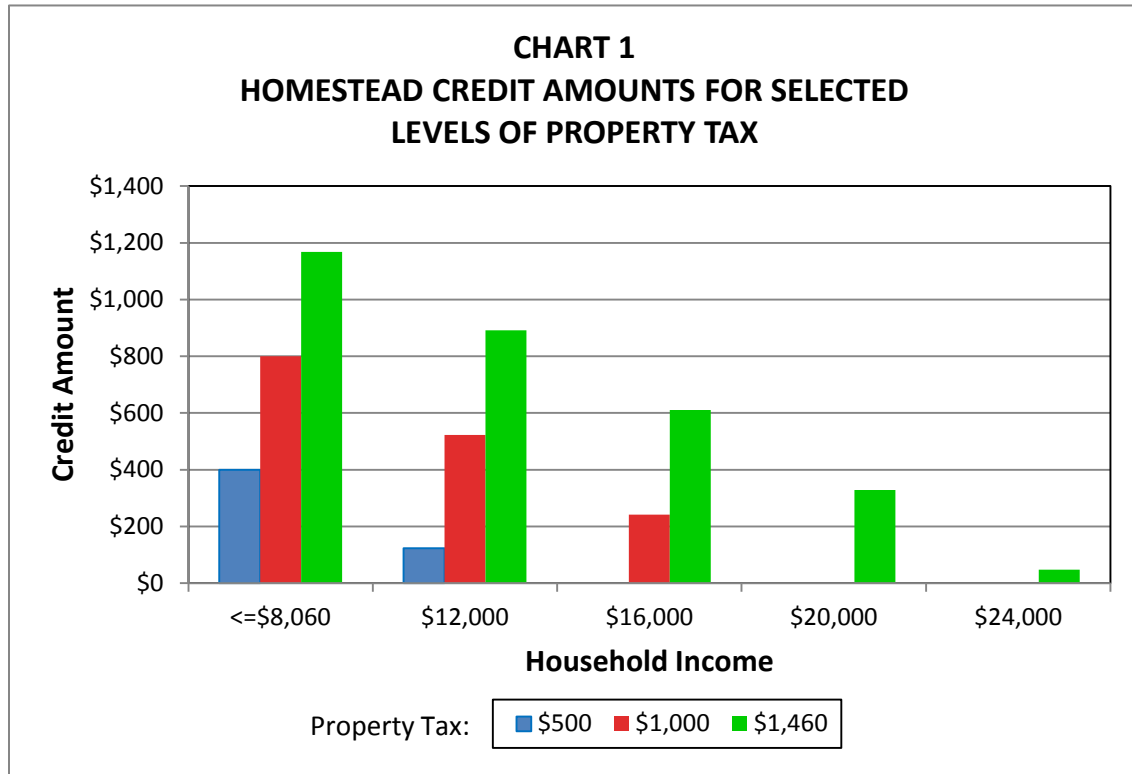
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2012 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 generally grown over time, rising from \$60 in FY1965 to \$523 in FY2013.

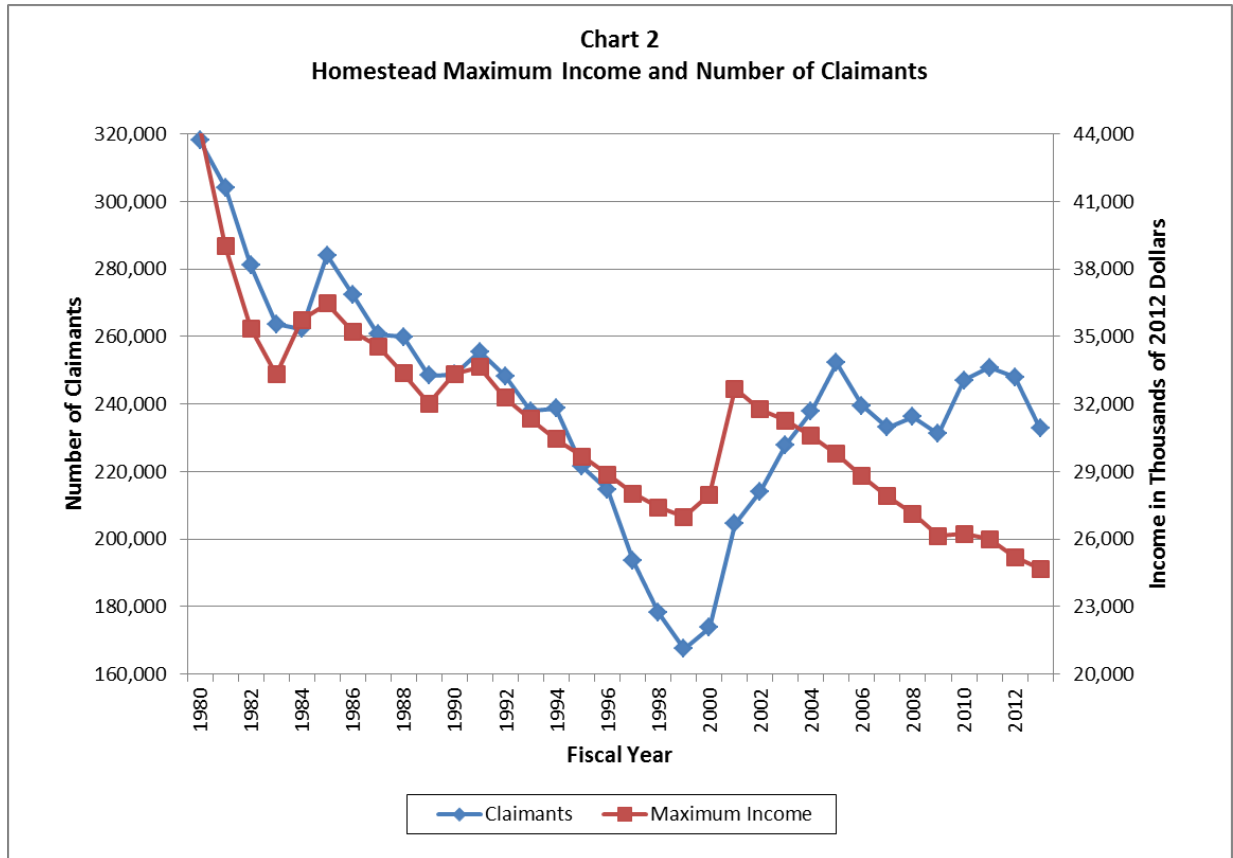
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

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 FY2013, the number of Homestead credit claimants increased by an average of 1.1% annually, but recent claims have not reached the peak of the early 1980s.

TABLE 1
WISCONSIN HOMESTEAD TAX CREDITS
FY65 - FY13

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%
2013	\$121,794,202	-8.4%	232,676	-6.2%	\$523	-2.4%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2012 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 \$44,300 in 2012 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 - FY13

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
2011-13	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 FY2013, 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, FY13**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	2,382	1.0%	\$ 3,480,074	\$ 1,461	\$ 31,033,213	\$ 13,028	\$ 1,236,270	1.0%	\$ 519	35.5%
18-25	22,049	9.5%	25,362,820	1,150	263,849,435	11,967	10,965,538	9.0%	497	43.2%
26-35	34,915	15.0%	52,105,815	1,492	467,808,520	13,398	18,844,960	15.5%	540	36.2%
36-45	27,167	11.7%	45,737,483	1,684	359,378,461	13,228	15,741,082	12.9%	579	34.4%
46-55	40,059	17.2%	67,958,550	1,696	507,331,708	12,665	23,490,450	19.3%	586	34.6%
56-60	21,122	9.1%	36,651,308	1,735	267,844,829	12,681	12,181,822	10.0%	577	33.2%
61-62	7,472	3.2%	13,129,750	1,757	98,045,766	13,122	4,142,492	3.4%	554	31.6%
63-65	10,227	4.4%	17,383,226	1,700	145,430,239	14,220	5,074,184	4.2%	496	29.2%
66 and older	67,283	28.9%	128,872,158	1,915	1,077,551,597	16,015	30,117,404	24.7%	448	23.4%
Total	232,676	100.0%	\$ 390,681,184	\$ 1,679	\$ 3,218,273,768	\$ 13,832	\$ 121,794,202	100.0%	\$ 523	31.2%

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 FY2013 was \$13,832. The average income of renters was somewhat lower at \$12,901, while the average income of homeowners was higher at \$15,323. 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 \$316 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 , FY13**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	3,882	1.7%	\$ 9,294,055	\$ 2,394	\$ 3,803,610	3.1%	\$ 980	40.9%
\$0 to \$2,500	4,846	2.1%	7,785,141	1,607	4,240,120	3.5%	875	54.5%
\$2,500 to \$8,000	22,872	9.8%	30,135,719	1,318	18,496,776	15.2%	809	61.4%
\$8,000 to \$15,000	100,849	43.3%	137,456,463	1,363	63,609,686	52.2%	631	46.3%
\$15,000 to \$24,500	100,227	43.1%	206,009,806	2,055	31,644,010	26.0%	316	15.4%
Total	232,676	100.0%	\$ 390,681,184	\$ 1,679	\$ 121,794,202	100.0%	\$ 523	31.2%

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 91,109 dependents in FY13. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY13

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	599	0.9%	1,311	4.9%	1,910	2.1%
\$0 to \$2,500	1,231	1.9%	503	1.9%	1,734	1.9%
\$2,500 to \$8,000	7,986	12.4%	2,339	8.7%	10,325	11.3%
\$8,000 to \$15,000	27,479	42.7%	8,157	30.5%	35,636	39.1%
\$15,000 to \$24,500	27,070	42.1%	14,434	54.0%	41,504	45.6%
Total	64,365	100%	26,744	100%	91,109	100%

TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY13

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	566	0.9%	191	0.7%	757	0.8%
18-25	8,806	13.7%	650	2.4%	9,456	10.4%
26-35	27,231	42.3%	5,582	20.9%	32,813	36.0%
36-45	17,093	26.6%	9,055	33.9%	26,148	28.7%
46-55	8,130	12.6%	7,957	29.8%	16,087	17.7%
56-60	1,463	2.3%	1,774	6.6%	3,237	3.6%
61-62	307	0.5%	408	1.5%	715	0.8%
63-65	277	0.4%	342	1.3%	619	0.7%
66 and older	492	0.8%	785	2.9%	1,277	1.4%
Total	64,365	100.0%	26,744	100.0%	91,109	100.0%

5. Housing Status

Homeowners received \$48.4 million (or 40%) of the total \$121.8 million in credits in FY13 and renters received \$73.4 million (or 60%). Homeowners accounted for 38% of the number of claims and renters the remaining 61% of claims. As a result, the average credit for homeowners was \$542, compared with an average of \$512 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, FY13

Renters								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,643	1.1%	\$ 2,147,300	\$ 1,307	\$ 1,412,424	1.9%	\$ 860	65.8%
\$0 to \$2,500	2,825	2.0%	3,123,121	1,106	2,170,454	3.0%	768	69.5%
\$2,500 to \$8,000	16,386	11.4%	16,641,884	1,016	12,035,952	16.4%	735	72.3%
\$8,000 to \$15,000	73,375	51.2%	82,118,704	1,119	42,708,506	58.2%	582	52.0%
\$15,000 to \$24,500	49,071	34.2%	79,101,151	1,612	15,027,086	20.5%	306	19.0%
Total	143,300	100.0%	\$ 183,132,160	\$ 1,278	\$ 73,354,422	100.0%	\$ 512	40.1%

Owners								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,239	2.5%	\$ 7,146,755	\$ 3,192	\$ 2,391,186	4.9%	\$ 1,068	33.5%
\$0 to \$2,500	2,021	2.3%	4,662,020	2,307	2,069,666	4.3%	1,024	44.4%
\$2,500 to \$8,000	6,486	7.3%	13,493,835	2,080	6,460,824	13.3%	996	47.9%
\$8,000 to \$15,000	27,474	30.7%	55,337,759	2,014	20,901,180	43.1%	761	37.8%
\$15,000 to \$24,500	51,156	57.2%	126,908,655	2,481	16,616,924	34.3%	325	13.1%
Total	89,376	100.0%	\$ 207,549,024	\$ 2,322	\$ 48,439,780	100.0%	\$ 542	23.3%

TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY13

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	1,730	1.2%	\$ 2,024,530	\$ 1,170	\$ 21,447,110	\$ 12,397	\$ 873,322	1.2%	\$ 505	43.1%
18-25	21,085	14.7%	23,476,462	1,113	249,382,755	11,827	10,462,184	14.3%	496	44.6%
26-35	29,944	20.9%	41,236,117	1,377	393,932,488	13,156	16,099,708	21.9%	538	39.0%
36-45	19,523	13.6%	27,871,192	1,428	250,454,172	12,829	11,244,194	15.3%	576	40.3%
46-55	24,352	17.0%	31,011,146	1,273	297,433,816	12,214	13,678,506	18.6%	562	44.1%
56-60	11,408	8.0%	13,618,910	1,194	138,769,332	12,164	6,082,398	8.3%	533	44.7%
61-62	3,787	2.6%	4,406,325	1,164	46,785,592	12,354	1,902,374	2.6%	502	43.2%
63-65	5,314	3.7%	6,102,836	1,148	69,219,869	13,026	2,482,784	3.4%	467	40.7%
66 and older	26,157	18.3%	33,384,642	1,276	381,343,407	14,579	10,528,952	14.4%	403	31.5%
Total	143,300	100.0%	\$ 183,132,160	\$ 1,278	\$ 1,848,768,541	\$ 12,901	\$ 73,354,422	100.0%	\$ 512	40.1%

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	652	0.7%	\$ 1,455,544	\$ 2,232	\$ 9,586,103	\$ 14,703	\$ 362,948	0.7%	\$ 557	24.9%
18-25	964	1.1%	1,886,358	1,957	14,466,680	15,007	503,354	1.0%	522	26.7%
26-35	4,971	5.6%	10,869,698	2,187	73,876,032	14,861	2,745,252	5.7%	552	25.3%
36-45	7,644	8.6%	17,866,291	2,337	108,924,289	14,250	4,496,888	9.3%	588	25.2%
46-55	15,707	17.6%	36,947,404	2,352	209,897,892	13,363	9,811,944	20.3%	625	26.6%
56-60	9,714	10.9%	23,032,398	2,371	129,075,497	13,288	6,099,424	12.6%	628	26.5%
61-62	3,685	4.1%	8,723,425	2,367	51,260,174	13,910	2,240,118	4.6%	608	25.7%
63-65	4,913	5.5%	11,280,390	2,296	76,210,370	15,512	2,591,400	5.3%	527	23.0%
66 and older	41,126	46.0%	95,487,516	2,322	696,208,190	16,929	19,588,452	40.4%	476	20.5%
Total	89,376	100.0%	\$ 207,549,024	\$ 2,322	\$ 1,369,505,227	\$ 15,323	\$ 48,439,780	100.0%	\$ 542	23.3%

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, FY13

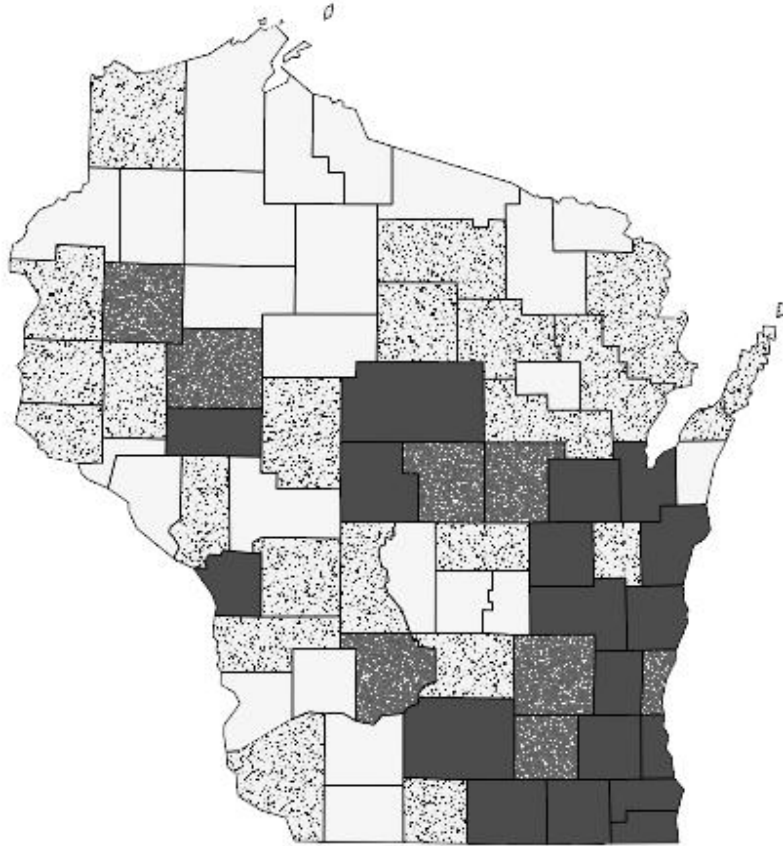
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	977	0.4%	\$ 1,459,447	\$ 1,494	\$ 13,219,570	\$ 13,531	\$ 492,642	0.4%	\$ 504	33.8%
Ashland	708	0.3%	853,672	1,206	9,228,271	13,034	318,558	0.3%	450	37.3%
Barron	2,348	1.0%	3,351,623	1,427	32,590,694	13,880	1,120,544	0.9%	477	33.4%
Bayfield	615	0.3%	829,938	1,349	7,900,565	12,846	290,514	0.2%	472	35.0%
Brown	9,171	3.9%	14,369,912	1,567	128,356,344	13,996	4,567,000	3.7%	498	31.8%
Buffalo	613	0.3%	879,759	1,435	8,053,252	13,137	310,980	0.3%	507	35.3%
Burnett	644	0.3%	874,437	1,358	8,462,809	13,141	308,280	0.3%	479	35.3%
Calumet	1,192	0.5%	2,123,226	1,781	17,555,396	14,728	571,956	0.5%	480	26.9%
Chippewa	2,607	1.1%	3,650,696	1,400	35,760,126	13,717	1,264,310	1.0%	485	34.6%
Clark	1,532	0.7%	2,274,386	1,485	20,128,931	13,139	811,546	0.7%	530	35.7%
Columbia	1,808	0.8%	3,364,320	1,861	25,846,944	14,296	963,708	0.8%	533	28.6%
Crawford	794	0.3%	1,176,657	1,482	10,742,943	13,530	378,464	0.3%	477	32.2%
Dane	16,155	6.9%	30,896,751	1,913	222,166,421	13,752	8,827,624	7.2%	546	28.6%
Dodge	2,740	1.2%	4,887,894	1,784	40,916,970	14,933	1,337,900	1.1%	488	27.4%
Door	1,160	0.5%	1,972,170	1,700	16,832,813	14,511	589,168	0.5%	508	29.9%
Douglas	1,950	0.8%	2,549,814	1,308	25,676,175	13,167	932,566	0.8%	478	36.6%
Dunn	1,541	0.7%	2,397,566	1,556	20,289,429	13,166	806,850	0.7%	524	33.7%
Eau Claire	4,784	2.1%	6,934,327	1,449	64,483,192	13,479	2,398,200	2.0%	501	34.6%
Florence	184	0.1%	229,288	1,246	2,304,626	12,525	83,776	0.1%	455	36.5%
Fond du Lac	3,688	1.6%	5,840,937	1,584	53,186,918	14,422	1,761,142	1.4%	478	30.2%
Forest	397	0.2%	468,082	1,179	5,217,315	13,142	163,670	0.1%	412	35.0%
Grant	1,836	0.8%	2,605,392	1,419	24,504,966	13,347	903,386	0.7%	492	34.7%
Green	1,422	0.6%	2,567,426	1,806	20,694,133	14,553	717,990	0.6%	505	28.0%
Green Lake	757	0.3%	1,285,479	1,698	11,209,871	14,808	384,836	0.3%	508	29.9%
Iowa	804	0.3%	1,480,338	1,841	10,998,102	13,679	420,234	0.3%	523	28.4%
Iron	365	0.2%	416,267	1,140	4,337,603	11,884	166,042	0.1%	455	39.9%
Jackson	705	0.3%	1,007,631	1,429	9,231,021	13,094	371,982	0.3%	528	36.9%
Jefferson	2,580	1.1%	4,852,659	1,881	38,195,769	14,805	1,269,530	1.0%	492	26.2%
Juneau	1,210	0.5%	1,719,148	1,421	16,195,529	13,385	600,892	0.5%	497	35.0%
Kenosha	6,428	2.8%	12,366,575	1,924	89,650,383	13,947	3,562,620	2.9%	554	28.8%
Kewaunee	666	0.3%	1,085,415	1,630	9,415,082	14,137	337,918	0.3%	507	31.1%
La Crosse	5,174	2.2%	7,883,289	1,524	70,382,580	13,603	2,533,864	2.1%	490	32.1%
Lafayette	613	0.3%	987,503	1,611	8,235,231	13,434	328,280	0.3%	536	33.2%
Langlade	1,183	0.5%	1,419,487	1,200	15,315,829	12,947	560,262	0.5%	474	39.5%
Lincoln	1,318	0.6%	1,831,977	1,390	18,105,582	13,737	632,142	0.5%	480	34.5%
Manitowoc	3,517	1.5%	5,430,544	1,544	51,103,202	14,530	1,684,804	1.4%	479	31.0%

TABLE 10 (Continued)
 HOMESTEAD CREDIT BY COUNTY, FY13

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,454	2%	\$ 8,517,151	\$ 1,562	\$ 77,608,078	\$ 14,230	\$ 2,770,514	2%	\$ 508	32.5%
Marinette	1,765	1%	2,038,029	1,155	22,994,941	13,028	778,082	1%	441	38.2%
Marquette	797	0%	1,313,561	1,648	10,915,301	13,695	424,032	0%	532	32.3%
Menominee	25	0%	58,596	2,344	380,876	15,235	10,264	0%	411	17.5%
Milwaukee	55,747	24%	95,791,612	1,718	744,020,320	13,346	31,802,588	26%	570	33.2%
Monroe	1,669	1%	2,482,568	1,487	22,571,160	13,524	837,510	1%	502	33.7%
Oconto	1,450	1%	2,063,038	1,423	19,416,845	13,391	740,554	1%	511	35.9%
Oneida	1,547	1%	2,214,390	1,431	21,700,209	14,027	737,376	1%	477	33.3%
Outagamie	6,308	3%	10,306,785	1,634	91,382,773	14,487	3,123,038	3%	495	30.3%
Ozaukee	2,106	1%	4,662,763	2,214	31,754,483	15,078	1,094,522	1%	520	23.5%
Pepin	297	0%	485,667	1,635	4,107,958	13,832	145,770	0%	491	30.0%
Pierce	984	0%	1,760,239	1,789	13,674,606	13,897	510,152	0%	518	29.0%
Polk	1,677	1%	2,631,433	1,569	23,500,711	14,014	833,840	1%	497	31.7%
Portage	2,798	1%	4,038,734	1,443	37,687,509	13,469	1,414,656	1%	506	35.0%
Price	734	0%	957,320	1,304	9,845,090	13,413	350,890	0%	478	36.7%
Racine	8,710	4%	15,937,382	1,830	119,891,283	13,765	4,981,498	4%	572	31.3%
Richland	722	0%	967,662	1,340	9,358,289	12,962	366,348	0%	507	37.9%
Rock	7,230	3%	11,315,293	1,565	99,459,823	13,757	3,787,704	3%	524	33.5%
Rusk	692	0%	823,063	1,189	8,928,837	12,903	318,234	0%	460	38.7%
St. Croix	1,827	1%	3,257,775	1,783	26,304,515	14,398	926,666	1%	507	28.4%
Sauk	2,467	1%	4,272,757	1,732	35,176,515	14,259	1,267,914	1%	514	29.7%
Sawyer	554	0%	693,895	1,253	6,999,878	12,635	264,436	0%	477	38.1%
Shawano	1,766	1%	2,492,300	1,411	24,099,763	13,647	860,534	1%	487	34.5%
Sheboygan	4,527	2%	7,256,840	1,603	65,134,958	14,388	2,180,740	2%	482	30.1%
Taylor	808	0%	1,256,389	1,555	11,102,060	13,740	424,628	0%	526	33.8%
Trempealeau	1,053	0%	1,750,013	1,662	14,935,715	14,184	551,568	0%	524	31.5%
Vernon	1,396	1%	2,277,920	1,632	18,251,228	13,074	744,072	1%	533	32.7%
Vilas	999	0%	1,328,069	1,329	13,545,559	13,559	458,214	0%	459	34.5%
Walworth	3,111	1%	6,729,516	2,163	44,665,897	14,357	1,742,330	1%	560	25.9%
Washburn	742	0%	988,297	1,332	9,709,712	13,086	365,288	0%	492	37.0%
Washington	3,339	1%	6,629,817	1,986	50,952,305	15,260	1,672,028	1%	501	25.2%
Waukesha	8,576	4%	19,547,131	2,279	130,941,672	15,268	4,277,706	4%	499	21.9%
Waupaca	2,440	1%	3,684,751	1,510	34,091,508	13,972	1,196,972	1%	491	32.5%
Waushara	1,082	0%	1,663,125	1,537	14,580,306	13,475	573,768	0%	530	34.5%
Winnebago	6,524	3%	10,380,257	1,591	92,109,803	14,119	3,250,362	3%	498	31.3%
Wood	3,578	2%	4,918,339	1,375	49,538,506	13,845	1,699,296	1%	475	34.6%
Unknown	2,989	1%	4,864,675	1,628	40,440,189	13,530	1,535,928	1%	514	31.6%
Total	232,676	100.0%	\$ 390,681,184	\$ 1,679	\$ 3,218,273,768	\$ 13,832	\$ 121,794,202	100.0%	\$ 523	31.2%

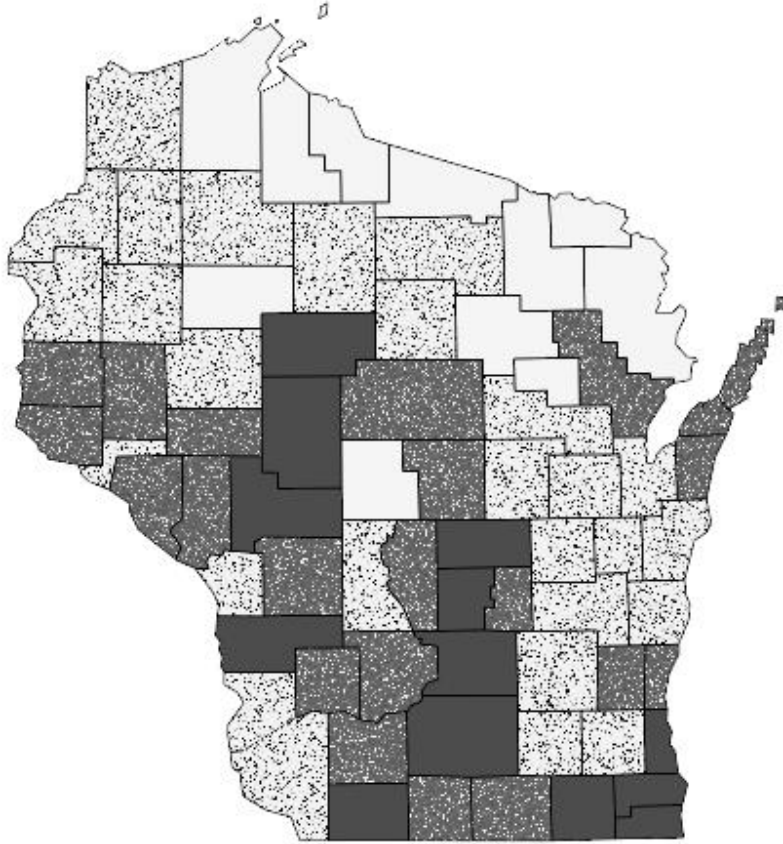
Note: Detail may not sum to total due to rounding.

MAP 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY13



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, FY13



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