

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY14

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 seniors by providing direct property tax relief through a circuit-breaker mechanism. The program was eventually expanded to provide relief to all low-income households paying property tax directly or through rent.

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 222,942 Wisconsin tax filers claimed Homestead credits amounting to \$117.0 million in FY14. The average credit was \$525.

B. DESCRIPTION OF CREDIT PROGRAM

The amount of the credit is determined by a claimant's household income and property taxes. The maximum credit is \$1,168 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 2014, for property taxes accrued in 2013, 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 claim the Veterans and Surviving Spouses Tax Credit;
- 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 2014 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.

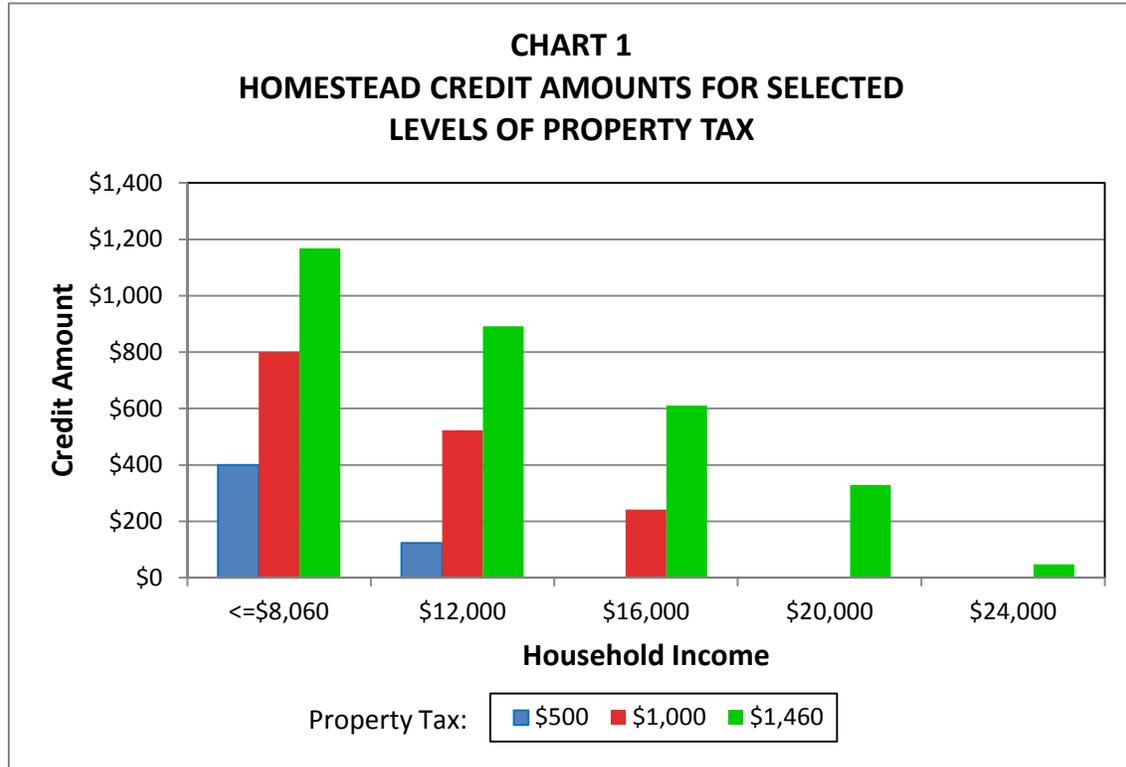
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2013 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 \$525 in FY2014.

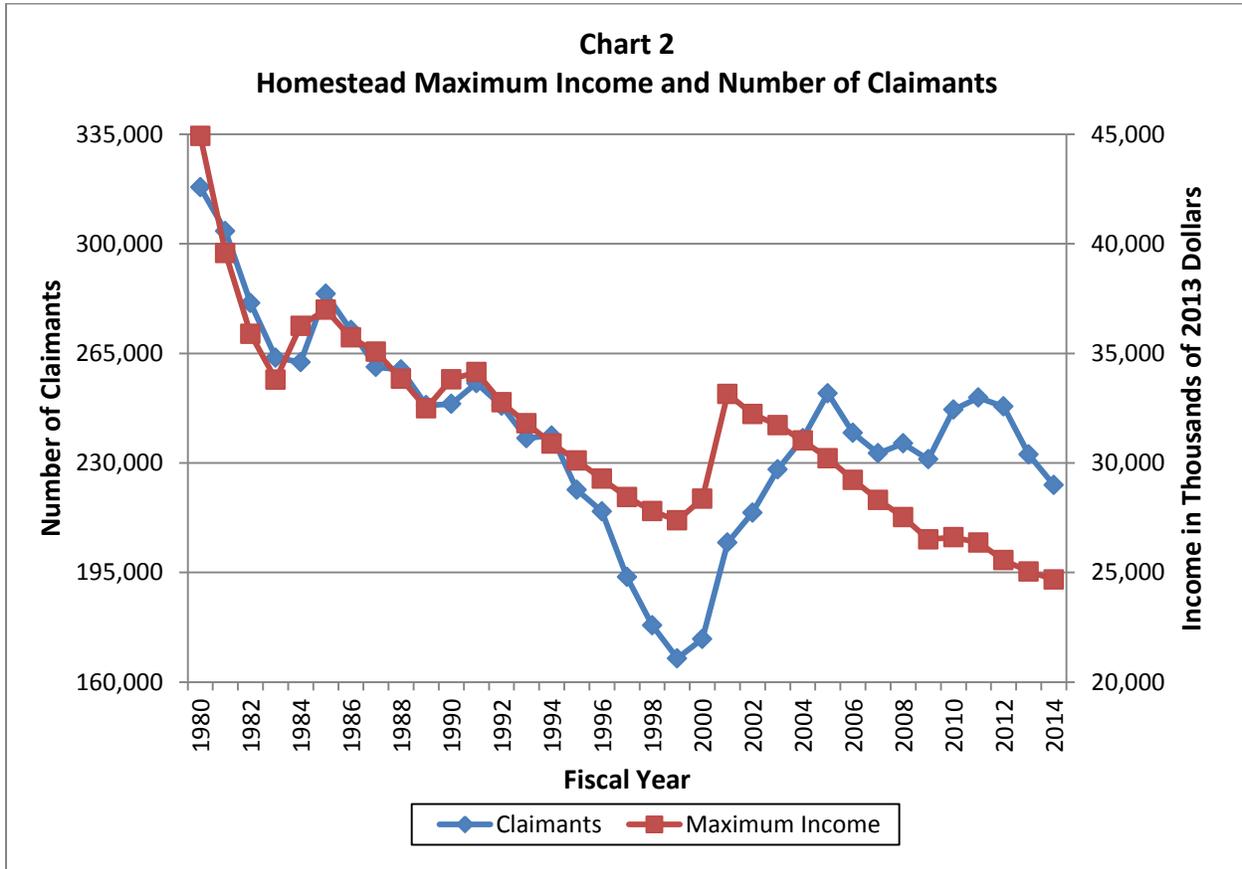
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

Major expansion occurred in FY1967 (formula changes), FY1972 (formula changes and expansion of the program to include adults 62 years or older), 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 FY2014, the number of Homestead credit claimants increased by an average of 0.7% annually, but recent claims have not reached the peak of the early 1980s.

**TABLE 1
WISCONSIN HOMESTEAD TAX CREDITS
FY65 - FY14**

Fiscal Year	Homestead Funding		Claims		Average Credit	
	Amount	Pct. Change	Count	Pct. Change	Amount	Pct. 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%
2014	\$116,981,040	-4.0%	222,942	-4.2%	\$525	0.2%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2013 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 \$44,923 in 2013 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 - FY14

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	1,080	18,000**	1,350	80%	8,000	120
1991-99	18	1,160	19,154	1,450	80%	8,000	120
2000	18	1,160	20,290	1,450	80%	8,000	120
2001-10	18	1,160	24,500	1,450	80%	8,000	120
2011-14	18	1,168	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 carrybacks, 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 older, 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 age¹ in FY2014, the average property tax (or property tax equivalent²), 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, FY14**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	2,239	1.0%	\$ 3,186,856	\$ 1,423	\$ 28,922,510	\$ 12,918	\$ 1,164,736	1.0%	\$ 520	36.5%
18-25	20,105	9.0%	23,449,941	1,166	244,465,834	12,159	9,882,176	8.4%	492	42.1%
26-35	33,303	14.9%	50,396,498	1,513	449,553,928	13,499	17,976,132	15.4%	540	35.7%
36-45	25,654	11.5%	44,317,036	1,727	341,503,559	13,312	14,937,778	12.8%	582	33.7%
46-55	38,243	17.2%	64,943,169	1,698	486,530,077	12,722	22,594,560	19.3%	591	34.8%
56-60	21,032	9.4%	36,417,236	1,732	268,037,400	12,744	12,194,886	10.4%	580	33.5%
61-62	7,687	3.4%	13,384,354	1,741	100,570,065	13,083	4,298,310	3.7%	559	32.1%
63-65	10,316	4.6%	17,811,202	1,727	144,923,263	14,048	5,243,814	4.5%	508	29.4%
66 and older	64,363	28.9%	122,323,581	1,901	1,032,975,527	16,049	28,688,648	24.5%	446	23.5%
Total	222,942	100.0%	\$ 376,229,873	\$ 1,688	\$ 3,097,482,163	\$ 13,894	\$ 116,981,040	100.0%	\$ 525	31.1%

¹ Some homestead claims are submitted without age information and must be verified for eligibility using other sources of information. These claims are classified in the table as "unknown".

² 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.

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 FY2014 was \$13,894. The average income of renters was somewhat lower at \$13,070, while the average income of homeowners was higher at \$15,242. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$982 for the lowest income group to \$314 for the highest income group.

TABLE 4
HOMESTEAD BENEFITS BY INCOME CLASS , FY14

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	3,988	1.8%	\$ 9,709,854	\$ 2,435	\$ 3,916,764	3.3%	\$ 982	40.3%
\$0 to \$2,500	4,498	2.0%	7,284,265	1,619	3,956,452	3.4%	880	54.3%
\$2,500 to \$8,000	21,106	9.5%	28,270,234	1,339	17,228,660	14.7%	816	60.9%
\$8,000 to \$15,000	96,430	43.3%	133,078,391	1,380	61,417,038	52.5%	637	46.2%
\$15,000 to \$24,500	96,920	43.5%	197,887,129	2,042	30,462,126	26.0%	314	15.4%
Total	222,942	100.0%	\$376,229,873	\$ 1,688	\$116,981,040	100.0%	\$ 525	31.1%

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

3. Income Sources

Homestead claimants receive income from a variety of sources. Social security is the largest income source overall and second largest among filers with tax returns, which is consistent with the large number of Homestead claimants who are over age 62. Wages and salaries are the second largest source of income overall and largest among filers with tax returns.

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 86,657 dependents in FY14. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY14

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	558	0.9%	1,410	5.5%	1,968	2.3%
\$0 to \$2,500	1,145	1.9%	574	2.2%	1,719	2.0%
\$2,500 to \$8,000	7,263	11.9%	2,558	10.0%	9,821	11.3%
\$8,000 to \$15,000	25,503	41.8%	7,559	29.5%	33,062	38.2%
\$15,000 to \$24,500	26,525	43.5%	13,562	52.8%	40,087	46.3%
Total	60,994	100%	25,663	100%	86,657	100%

**TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY14**

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	439	0.7%	232	0.9%	671	0.8%
18-25	7,804	12.8%	561	2.2%	8,365	9.7%
26-35	25,928	42.5%	5,450	21.2%	31,378	36.2%
36-45	16,516	27.1%	8,487	33.1%	25,003	28.9%
46-55	7,722	12.7%	7,601	29.6%	15,323	17.7%
56-60	1,547	2.5%	1,783	6.9%	3,330	3.8%
61-62	300	0.5%	389	1.5%	689	0.8%
63-65	309	0.5%	344	1.3%	653	0.8%
66 and older	429	0.7%	816	3.2%	1,245	1.4%
Total	60,994	100.0%	25,663	100.0%	86,657	100.0%

5. Housing Status

Homeowners received \$46.1 million (or 39%) of the total \$117.0 million in credits in FY14 and renters received \$70.9 million (or 61%). Homeowners accounted for 38% of the number of claims and renters the remaining 62% of claims. As a result, the average credit for homeowners was \$545, 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 \$2,500 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 \$2,500, more 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.

**TABLE 8
HOMESTEAD CREDIT BY INCOME CLASS AND PROPERTY OWNERSHIP, FY14**

Renters								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,585	1.1%	\$ 2,074,479	\$ 1,309	\$ 1,344,404	1.9%	\$ 848	64.8%
\$0 to \$2,500	2,568	1.9%	2,825,810	1,100	1,967,452	2.8%	766	69.6%
\$2,500 to \$8,000	14,848	10.7%	15,387,131	1,036	10,973,526	15.5%	739	71.3%
\$8,000 to \$15,000	70,482	50.9%	81,003,441	1,149	41,701,824	58.8%	592	51.5%
\$15,000 to \$24,500	48,924	35.3%	79,998,549	1,635	14,903,506	21.0%	305	18.6%
Total	138,407	100.0%	\$ 181,289,410	\$ 1,310	\$70,890,712	100.0%	\$ 512	39.1%

Owners								
Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,403	2.8%	\$ 7,635,375	\$ 3,177	\$ 2,572,360	5.6%	\$ 1,070	33.7%
\$0 to \$2,500	1,930	2.3%	4,458,455	2,310	1,989,000	4.3%	1,031	44.6%
\$2,500 to \$8,000	6,258	7.4%	12,883,103	2,059	6,255,134	13.6%	1,000	48.6%
\$8,000 to \$15,000	25,948	30.7%	52,074,950	2,007	19,715,214	42.8%	760	37.9%
\$15,000 to \$24,500	47,996	56.8%	117,888,580	2,456	15,558,620	33.8%	324	13.2%
Total	84,535	100.0%	\$ 194,940,463	\$ 2,306	\$46,090,328	100.0%	\$ 545	23.6%

**TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY14**

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	1,639	1.2%	\$ 1,935,063	\$1,181	\$ 20,243,574	\$12,351	\$ 822,582	1.2%	\$502	42.5%
18-25	19,261	13.9%	21,735,405	1,128	231,846,666	12,037	9,440,326	13.3%	490	43.4%
26-35	28,685	20.7%	40,440,798	1,410	381,452,509	13,298	15,411,928	21.7%	537	38.1%
36-45	18,702	13.5%	28,053,796	1,500	243,964,378	13,045	10,771,614	15.2%	576	38.4%
46-55	23,528	17.0%	30,747,507	1,307	291,678,552	12,397	13,290,102	18.7%	565	43.2%
56-60	11,513	8.3%	14,030,934	1,219	142,294,178	12,359	6,155,468	8.7%	535	43.9%
61-62	4,005	2.9%	4,794,379	1,197	50,014,952	12,488	2,048,738	2.9%	512	42.7%
63-65	5,423	3.9%	6,341,608	1,169	70,961,884	13,085	2,559,336	3.6%	472	40.4%
66 and older	25,651	18.5%	33,209,920	1,295	376,543,125	14,679	10,390,618	14.7%	405	31.3%
Total	138,407	100.0%	\$181,289,410	\$1,310	\$1,808,999,818	\$13,070	\$70,890,712	100.0%	\$512	39.1%

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	600	0.7%	\$ 1,251,793	\$2,086	\$ 8,678,936	\$14,465	\$ 342,154	0.7%	\$570	27.3%
18-25	844	1.0%	1,714,536	2,031	12,619,168	14,952	441,850	1.0%	524	25.8%
26-35	4,618	5.5%	9,955,700	2,156	68,101,419	14,747	2,564,204	5.6%	555	25.8%
36-45	6,952	8.2%	16,263,240	2,339	97,539,181	14,030	4,166,164	9.0%	599	25.6%
46-55	14,715	17.4%	34,195,662	2,324	194,851,525	13,242	9,304,458	20.2%	632	27.2%
56-60	9,519	11.3%	22,386,302	2,352	125,743,222	13,210	6,039,418	13.1%	634	27.0%
61-62	3,682	4.4%	8,589,975	2,333	50,555,113	13,730	2,249,572	4.9%	611	26.2%
63-65	4,893	5.8%	11,469,594	2,344	73,961,379	15,116	2,684,478	5.8%	549	23.4%
66 and older	38,712	45.8%	89,113,661	2,302	656,432,402	16,957	18,298,030	39.7%	473	20.5%
Total	84,535	100.0%	\$194,940,463	\$2,306	\$1,288,482,345	\$15,242	\$46,090,328	100.0%	\$545	23.6%

6. Geographic Distribution by County

Table 10 shows the distribution of Homestead claimants by household income, property tax, and average benefits across counties. Table 11 shows the percentage of tax returns from each county that claim the credit and the percentage of each county's population in tax filing units receiving the credit. For the latter measure, the number of people in a tax filing unit was based on the filing status (married couples filing jointly counted as two persons; heads of household and single filers as one) and on the number of dependents claimed on the homestead form.

Map 1 shows the distribution of total Homestead credit amounts by county. Map 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. Map 3 shows the percentage of tax returns from each county that claim the credit and Map 4 shows the percentage of each county's population in tax filing units receiving the credit.

TABLE 10
HOMESTEAD CREDIT BY COUNTY, FY14

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	1,000	0.4%	\$ 1,542,268	\$1,542	\$ 13,476,059	\$ 13,476	\$ 497,438	0.4%	\$ 497	32.3%
Ashland	691	0.3%	826,917	1,197	8,950,994	12,954	309,482	0.3%	448	37.4%
Barron	2,276	1.0%	3,221,368	1,415	31,542,741	13,859	1,080,536	0.9%	475	33.5%
Bayfield	579	0.3%	831,491	1,436	7,407,068	12,793	286,766	0.2%	495	34.5%
Brown	8,991	4.0%	14,185,896	1,578	126,766,513	14,099	4,449,032	3.8%	495	31.4%
Buffalo	585	0.3%	888,375	1,519	7,800,925	13,335	305,224	0.3%	522	34.4%
Burnett	596	0.3%	829,605	1,392	7,907,122	13,267	287,302	0.2%	482	34.6%
Calumet	1,184	0.5%	2,034,821	1,719	17,835,693	15,064	541,706	0.5%	458	26.6%
Chippewa	2,532	1.1%	3,714,561	1,467	34,773,504	13,734	1,258,070	1.1%	497	33.9%
Clark	1,479	0.7%	2,225,547	1,505	19,063,707	12,890	791,918	0.7%	535	35.6%
Columbia	1,710	0.8%	3,137,714	1,835	24,452,948	14,300	910,380	0.8%	532	29.0%
Crawford	791	0.4%	1,192,828	1,508	10,671,272	13,491	387,564	0.3%	490	32.5%
Dane	15,173	6.8%	29,426,449	1,939	211,787,810	13,958	8,240,104	7.1%	543	28.0%
Dodge	2,711	1.2%	4,830,093	1,782	40,543,857	14,955	1,336,156	1.1%	493	27.7%
Door	1,141	0.5%	1,937,535	1,698	16,468,482	14,433	583,220	0.5%	511	30.1%
Douglas	1,910	0.9%	2,534,819	1,327	25,250,199	13,220	918,816	0.8%	481	36.2%
Dunn	1,409	0.6%	2,164,013	1,536	18,541,082	13,159	735,632	0.6%	522	34.0%
Eau Claire	4,654	2.1%	7,089,033	1,523	63,918,612	13,734	2,283,496	2.0%	491	32.2%
Florence	196	0.1%	266,267	1,359	2,429,237	12,394	90,308	0.1%	461	33.9%
Fond du Lac	3,429	1.5%	5,489,391	1,601	49,906,243	14,554	1,640,662	1.4%	478	29.9%
Forest	402	0.2%	475,675	1,183	5,164,468	12,847	171,804	0.1%	427	36.1%
Grant	1,751	0.8%	2,534,888	1,448	23,564,287	13,458	857,150	0.7%	490	33.8%
Green	1,399	0.6%	2,558,545	1,829	20,310,878	14,518	698,604	0.6%	499	27.3%
Green Lake	720	0.3%	1,252,741	1,740	10,508,533	14,595	370,338	0.3%	514	29.6%
Iowa	821	0.4%	1,476,877	1,799	11,287,584	13,749	444,008	0.4%	541	30.1%
Iron	366	0.2%	433,441	1,184	4,603,337	12,577	159,522	0.1%	436	36.8%
Jackson	714	0.3%	1,060,038	1,485	9,379,244	13,136	374,764	0.3%	525	35.4%
Jefferson	2,505	1.1%	4,618,776	1,844	37,456,993	14,953	1,220,434	1.0%	487	26.4%

TABLE 10 (Continued)
HOMESTEAD CREDIT BY COUNTY, FY14

County	Claimants		Property Tax		Household Income		Credit				
	Count	% of Total	Amount	Avg. Tax	Amount	Income	Amount	% of Total	Credit	Relief	
Manitowoc	3,333	1.5%	\$5,083,381	\$1,525	\$48,430,605	\$14,531	\$1,614,382	1.4%	\$ 484	31.8%	
Juneau	1,183	0.5%	1,777,043	1,502	15,947,149	13,480	595,446	0.5%	503	33.5%	
Kenosha	6,192	2.8%	11,764,325	1,900	87,325,650	14,103	3,386,184	2.9%	547	28.8%	
Kewaunee	663	0.3%	1,099,747	1,659	9,467,834	14,280	320,872	0.3%	484	29.2%	
La Crosse	4,937	2.2%	7,726,075	1,565	67,864,076	13,746	2,430,034	2.1%	492	31.5%	
Lafayette	568	0.3%	902,431	1,589	7,795,146	13,724	292,876	0.3%	516	32.5%	
Langlade	1,136	0.5%	1,371,894	1,208	14,734,413	12,970	527,222	0.5%	464	38.4%	
Lincoln	1,215	0.5%	1,766,574	1,454	16,745,060	13,782	577,858	0.5%	476	32.7%	
Marathon	5,141	2.3%	8,076,327	1,571	73,471,258	14,291	2,619,476	2.2%	510	32.4%	
Marinette	1,608	0.7%	1,893,893	1,178	21,042,520	13,086	721,698	0.6%	449	38.1%	
Marquette	746	0.3%	1,262,024	1,692	9,982,571	13,381	418,354	0.4%	561	33.1%	
Menominee	21	0.0%	44,079	2,099	269,872	12,851	11,332	0.0%	540	25.7%	
Milwaukee	54,238	24.4%	92,775,185	1,711	727,773,596	13,418	30,911,406	26.5%	570	33.3%	
Monroe	1,668	0.7%	2,635,755	1,580	22,377,731	13,416	863,818	0.7%	518	32.8%	
Oconto	1,372	0.6%	1,945,542	1,418	18,320,550	13,353	710,432	0.6%	518	36.5%	
Oneida	1,557	0.7%	2,239,197	1,438	21,911,397	14,073	743,666	0.6%	478	33.2%	
Outagamie	6,035	2.7%	9,922,247	1,644	87,724,678	14,536	3,007,900	2.6%	498	30.3%	
Ozaukee	1,961	0.9%	4,306,013	2,196	29,213,400	14,897	1,025,132	0.9%	523	23.8%	
Pepin	326	0.1%	548,521	1,683	4,626,124	14,191	160,046	0.1%	491	29.2%	
Pierce	906	0.4%	1,639,042	1,809	12,614,586	13,923	476,204	0.4%	526	29.1%	
Polk	1,627	0.7%	2,523,501	1,551	22,772,463	13,997	801,466	0.7%	493	31.8%	
Portage	2,705	1.2%	3,969,564	1,467	36,511,289	13,498	1,397,970	1.2%	517	35.2%	
Price	717	0.3%	947,652	1,322	9,558,293	13,331	350,036	0.3%	488	36.9%	
Racine	8,120	3.6%	14,915,397	1,837	112,580,967	13,865	4,727,612	4.0%	582	31.7%	
Richland	716	0.3%	983,821	1,374	9,432,782	13,174	353,782	0.3%	494	36.0%	
Rock	7,014	3.2%	10,955,346	1,562	97,341,927	13,878	3,652,294	3.1%	521	33.3%	
Rusk	664	0.3%	850,871	1,281	8,432,605	12,700	319,380	0.3%	481	37.5%	
St. Croix	1,796	0.8%	3,277,407	1,825	25,979,512	14,465	918,226	0.8%	511	28.0%	
Sauk	2,372	1.1%	4,147,656	1,749	34,146,865	14,396	1,215,692	1.0%	513	29.3%	
Sawyer	530	0.2%	674,726	1,273	6,802,894	12,836	251,748	0.2%	475	37.3%	
Shawano	1,733	0.8%	2,507,369	1,447	23,691,208	13,671	847,484	0.7%	489	33.8%	
Sheboygan	4,310	1.9%	7,054,199	1,637	62,200,271	14,432	2,087,750	1.8%	484	29.6%	
Taylor	766	0.3%	1,234,004	1,611	10,500,017	13,708	406,350	0.3%	530	32.9%	
Trempealeau	1,068	0.5%	1,825,009	1,709	14,938,489	13,987	571,354	0.5%	535	31.3%	
Vernon	1,420	0.6%	2,328,878	1,640	18,960,945	13,353	747,136	0.6%	526	32.1%	
Vilas	945	0.4%	1,347,740	1,426	13,134,078	13,898	446,052	0.4%	472	33.1%	
Walworth	2,978	1.3%	6,185,838	2,077	43,190,217	14,503	1,639,516	1.4%	551	26.5%	
Washburn	717	0.3%	969,070	1,352	9,602,579	13,393	352,688	0.3%	492	36.4%	
Washington	3,188	1.4%	6,251,714	1,961	48,919,112	15,345	1,586,410	1.4%	498	25.4%	
Waukesha	7,966	3.6%	18,441,549	2,315	121,082,602	15,200	4,018,492	3.4%	504	21.8%	
Waupaca	2,331	1.0%	3,625,257	1,555	32,732,664	14,042	1,157,648	1.0%	497	31.9%	
Waushara	1,087	0.5%	1,775,435	1,633	14,414,990	13,261	592,600	0.5%	545	33.4%	
Winnebago	6,288	2.8%	10,020,302	1,594	89,038,358	14,160	3,163,942	2.7%	503	31.6%	
Wood	3,461	1.6%	4,856,708	1,403	48,405,303	13,986	1,641,858	1.4%	474	33.8%	
Unknown	1,586	0.7%	2,486,419	1,568	19,752,465	12,454	883,372	0.8%	557	35.5%	
Total	222,942	100%	\$376,229,873	\$1,688	\$3,097,482,16	3	\$13,894	\$116,981,040	100%	\$ 525	31.1%

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

**TABLE 11
HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY14**

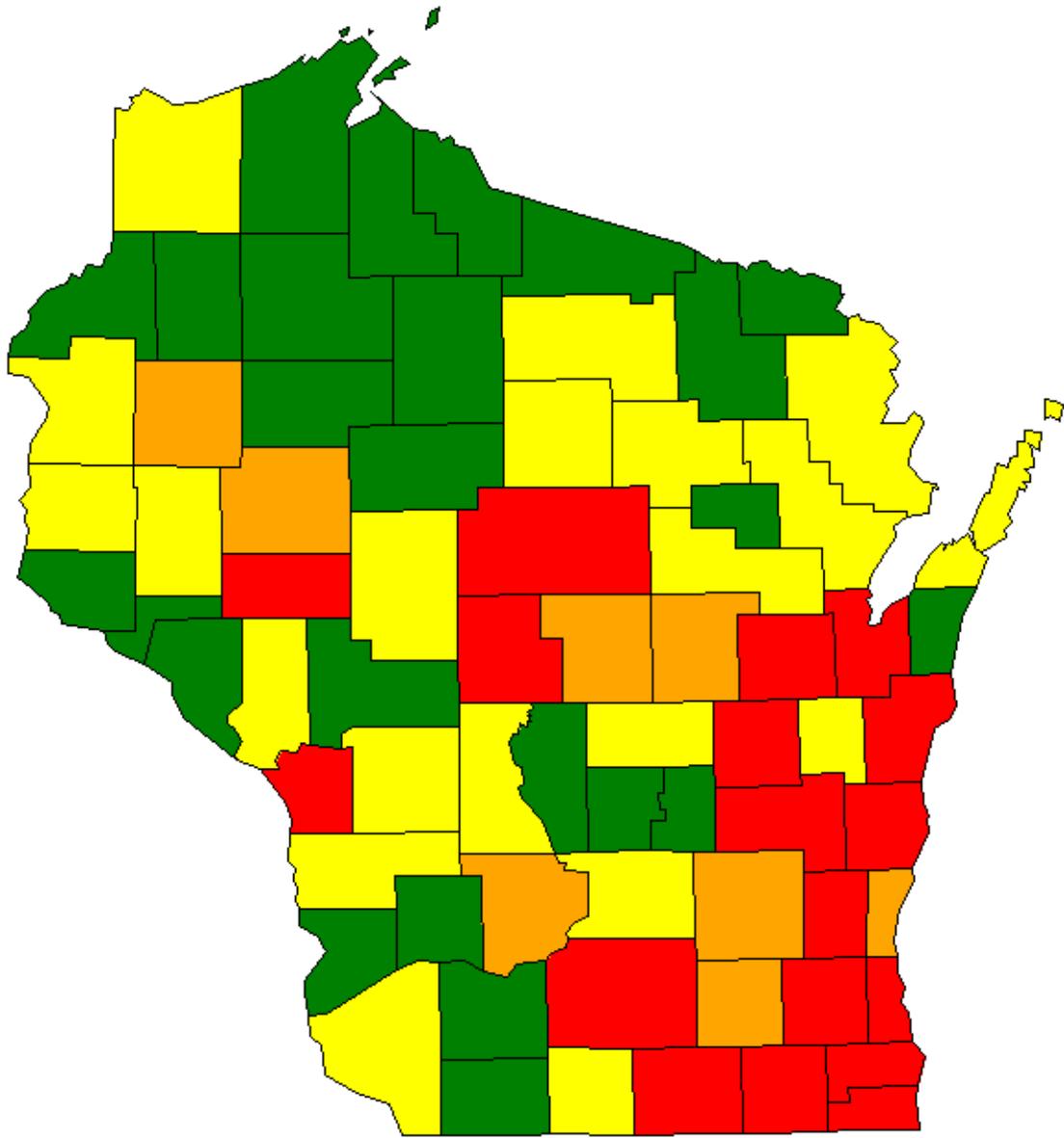
County	Total Returns	Homestead Returns	% of Returns with Homestead	2013 Population	Homestead Population	% of Pop. with Homestead
Adams	9,822	1,002	10.2%	20,834	1,487	7.1%
Ashland	7,700	692	9.0%	16,097	951	5.9%
Barron	23,338	2,278	9.8%	45,963	3,261	7.1%
Bayfield	7,701	579	7.5%	15,088	799	5.3%
Brown	127,127	8,998	7.1%	251,495	13,370	5.3%
Buffalo	6,899	585	8.5%	13,630	799	5.9%
Burnett	7,480	596	8.0%	15,496	837	5.4%
Calumet	22,293	1,185	5.3%	49,405	1,658	3.4%
Chippewa	29,875	2,536	8.5%	62,918	3,718	5.9%
Clark	14,823	1,479	10.0%	34,721	2,866	8.3%
Columbia	29,264	1,711	5.8%	56,804	2,634	4.6%
Crawford	7,933	791	10.0%	16,658	1,071	6.4%
Dane	263,874	15,200	5.8%	497,021	20,605	4.1%
Dodge	42,237	2,714	6.4%	88,875	3,792	4.3%
Door	15,269	1,142	7.5%	27,966	1,592	5.7%
Douglas	20,729	1,910	9.2%	44,279	2,818	6.4%
Dunn	19,216	1,412	7.3%	43,887	1,995	4.5%
Eau Claire	50,327	4,654	9.2%	99,734	6,673	6.7%
Florence	2,143	196	9.1%	4,381	269	6.1%
Fond du Lac	50,532	3,430	6.8%	101,984	4,759	4.7%
Forest	4,386	402	9.2%	9,210	618	6.7%
Grant	23,066	1,754	7.6%	51,723	2,627	5.1%
Green	18,423	1,403	7.6%	36,799	2,000	5.4%
Green Lake	9,483	720	7.6%	19,093	1,203	6.3%
Iowa	11,835	821	6.9%	23,740	1,119	4.7%
Iron	3,175	366	11.5%	5,848	480	8.2%
Jackson	9,484	714	7.5%	20,551	1,100	5.4%
Jefferson	40,500	2,506	6.2%	83,940	3,538	4.2%
Juneau	12,397	1,183	9.5%	26,912	1,771	6.6%
Kenosha	79,353	6,199	7.8%	166,915	9,640	5.8%
Kewaunee	10,158	664	6.5%	20,604	907	4.4%
La Crosse	57,262	4,944	8.6%	115,928	6,725	5.8%
Lafayette	7,988	568	7.1%	16,883	858	5.1%
Langlade	9,884	1,136	11.5%	19,835	1,636	8.2%
Lincoln	14,306	1,215	8.5%	29,134	1,686	5.8%
Manitowoc	40,725	3,335	8.2%	81,352	4,692	5.8%
Marathon	67,393	5,142	7.6%	134,679	7,390	5.5%
Marinette	20,875	1,608	7.7%	41,732	2,335	5.6%
Marquette	7,378	746	10.1%	15,376	1,136	7.4%
Menominee	1,477	21	1.4%	4,221	27	0.6%
Milwaukee	466,861	54,394	11.7%	950,410	85,596	9.0%
Monroe	21,222	1,667	7.9%	45,198	2,955	6.5%
Oconto	18,387	1,373	7.5%	37,898	1,955	5.2%
Oneida	19,074	1,558	8.2%	36,042	2,173	6.0%

TABLE 11 (Continued)
HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY14

County	Total Returns	Homestead Returns	% of Returns with Homestead	2013 Population	Homestead Population	% of Pop. with Homestead
Outagamie	92,843	6,038	6.5%	179,117	8,624	4.8%
Ozaukee	44,503	1,965	4.4%	86,705	2,672	3.1%
Pepin	3,611	326	9.0%	7,448	504	6.8%
Pierce	18,549	909	4.9%	40,940	1,247	3.0%
Polk	21,231	1,632	7.7%	44,213	2,380	5.4%
Portage	33,450	2,708	8.1%	70,903	3,719	5.2%
Price	7,097	718	10.1%	14,117	973	6.9%
Racine	96,271	8,136	8.5%	195,174	13,014	6.7%
Richland	8,024	716	8.9%	18,015	1,106	6.1%
Rock	78,953	7,023	8.9%	160,148	10,782	6.7%
Rusk	6,763	664	9.8%	14,772	1,030	7.0%
St. Croix	40,810	1,799	4.4%	85,249	2,664	3.1%
Sauk	33,085	2,377	7.2%	62,041	3,450	5.6%
Sawyer	8,021	530	6.6%	16,670	774	4.6%
Shawano	19,841	1,734	8.7%	41,875	2,446	5.8%
Sheboygan	58,543	4,312	7.4%	115,386	6,142	5.3%
Taylor	9,081	766	8.4%	20,720	1,281	6.2%
Trempealeau	15,117	1,068	7.1%	29,086	1,604	5.5%
Vernon	13,338	1,421	10.7%	29,930	2,880	9.6%
Vilas	11,045	945	8.6%	21,465	1,407	6.6%
Walworth	48,776	2,981	6.1%	102,579	4,368	4.3%
Washburn	8,261	717	8.7%	15,928	1,044	6.6%
Washington	67,119	3,192	4.8%	132,612	4,352	3.3%
Waukesha	202,210	7,974	3.9%	391,478	11,089	2.8%
Waupaca	26,346	2,332	8.9%	52,354	3,308	6.3%
Waushara	11,449	1,088	9.5%	24,481	1,709	7.0%
Winnebago	82,243	6,294	7.7%	167,862	8,883	5.3%
Wood	38,231	3,463	9.1%	74,583	4,942	6.6%
Total	3,042,518	222,942	7.3%	5,717,110	330,924	5.8%

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

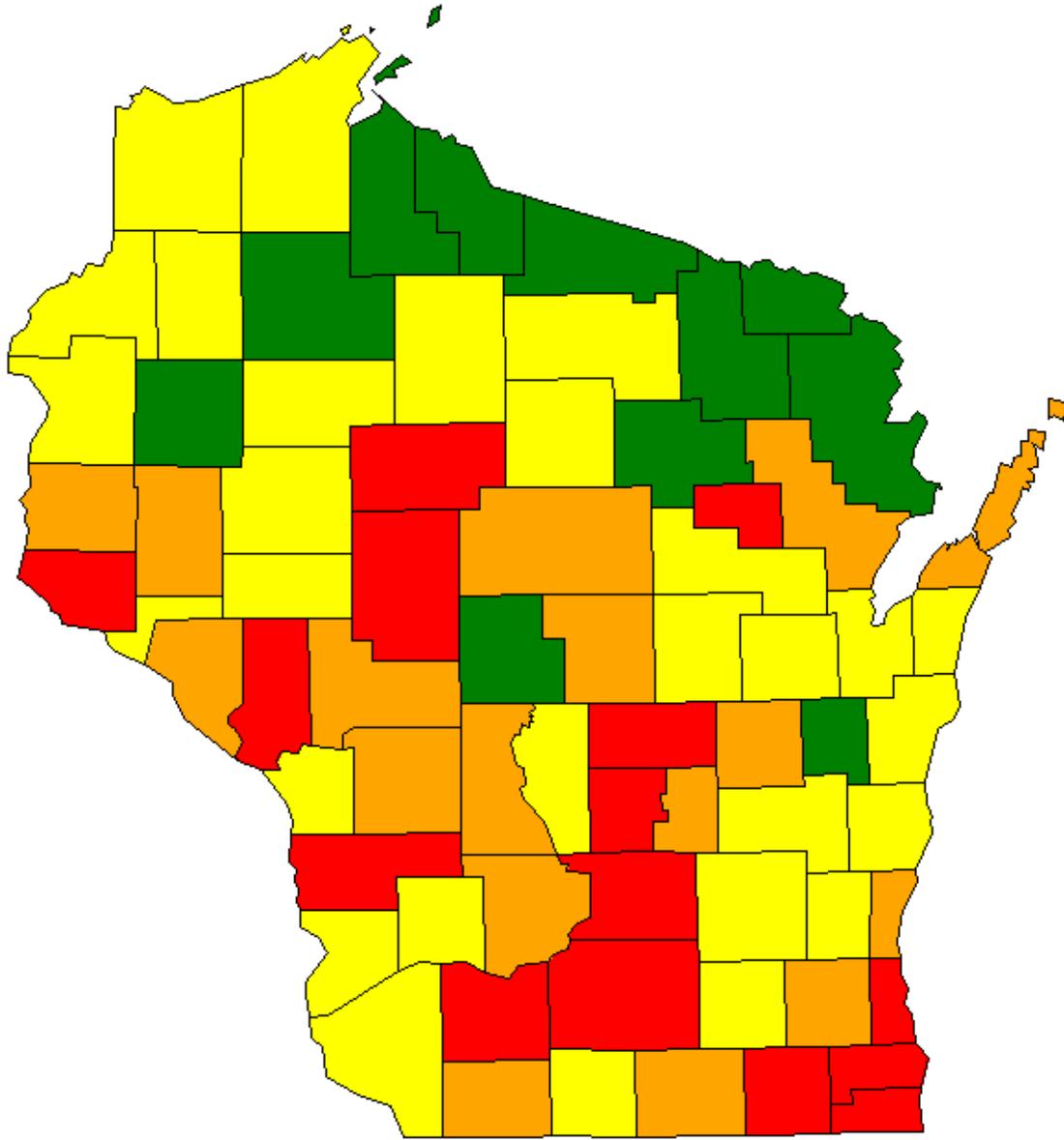
MAP 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY14



Total Credit Claimed

- Less than \$0.5M
- \$0.5M to \$1M
- \$1M to \$1.5M
- More than \$1.5M

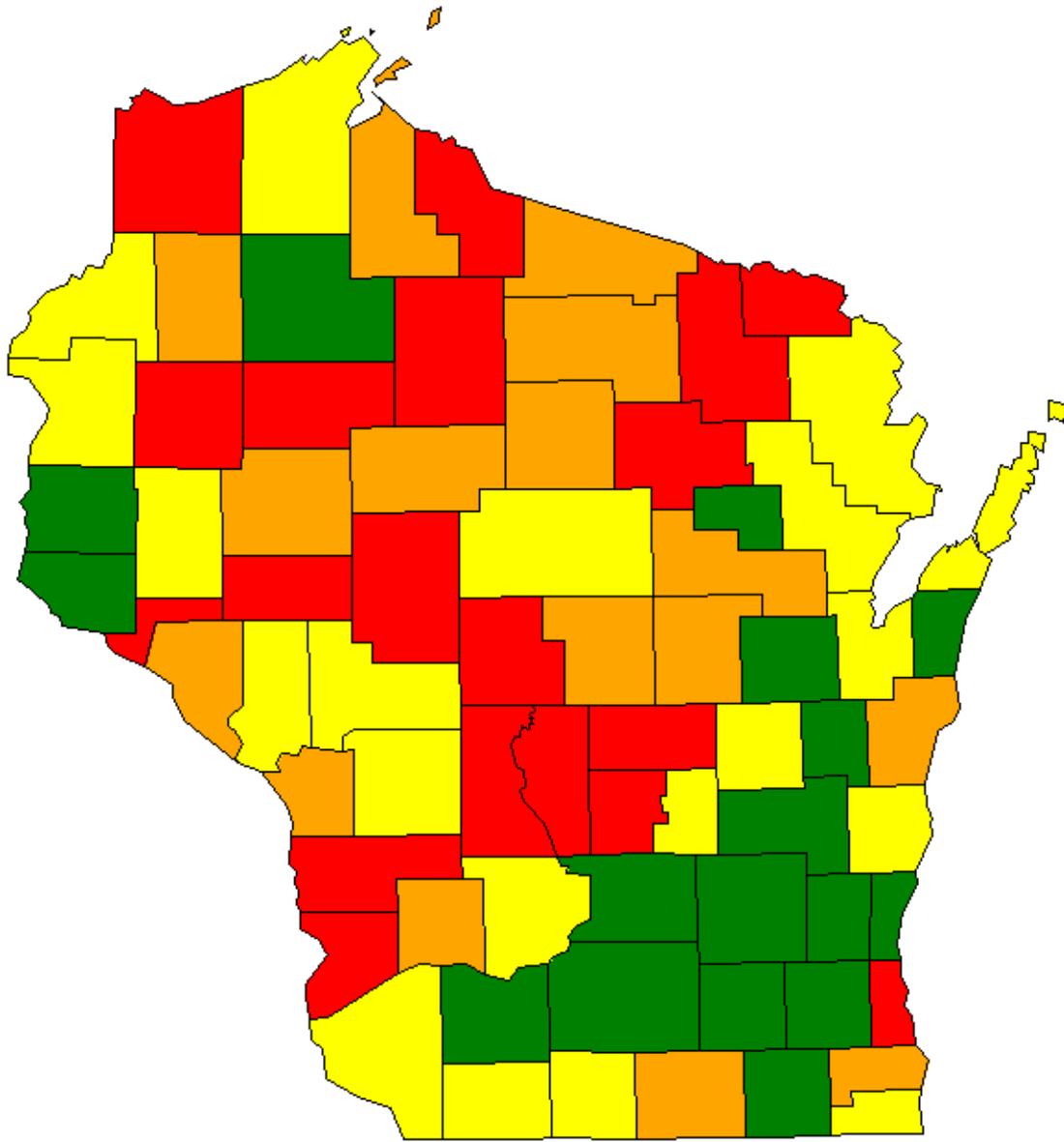
MAP 2
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY14



Average Credit Claimed

 Less than \$475  \$475 to \$500  \$500 to \$525  More than \$525

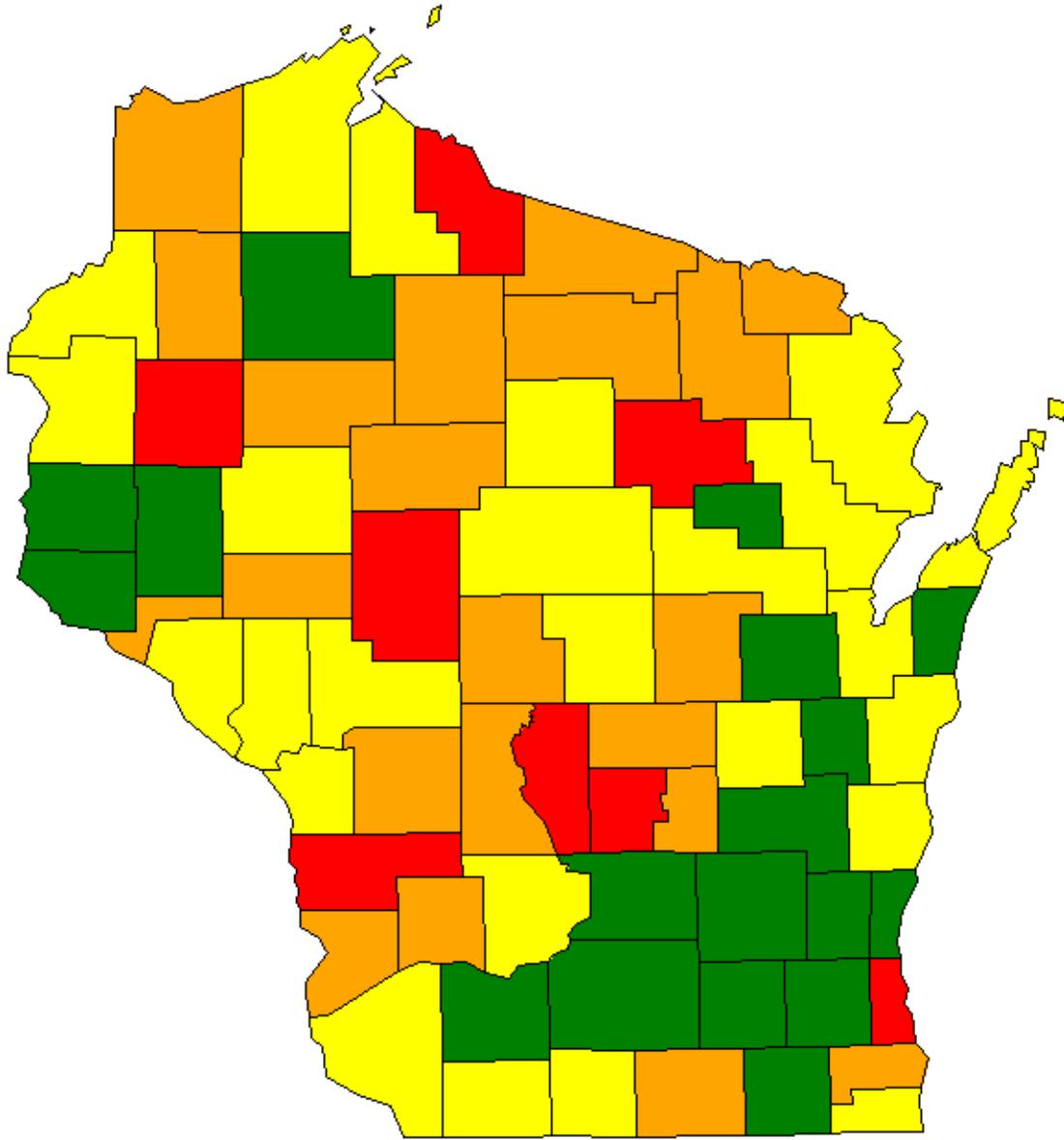
MAP 3
PERCENT OF RETURNS WITH HOMESTEAD CREDITS BY COUNTY, FY14



Pct of Returns with Homestead

- Less than 7%
- 7% to 8%
- 8% to 9%
- More than 9%

MAP 4
PERCENT OF POPULATION WITH HOMESTEAD CREDITS BY COUNTY, FY14



Pct of Population with Homestead

Less than 5% 5% to 6% 6% to 7% More than 7%

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