

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY15

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 202,687 Wisconsin tax filers claimed Homestead credits amounting to \$105.3 million in FY15. The average credit was \$520.

B. DESCRIPTION OF CREDIT PROGRAM

The amount of the credit is determined by a claimant's household income and property taxes. The maximum credit is \$1,168 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 2015, for property taxes accrued in 2014, 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 2015 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.

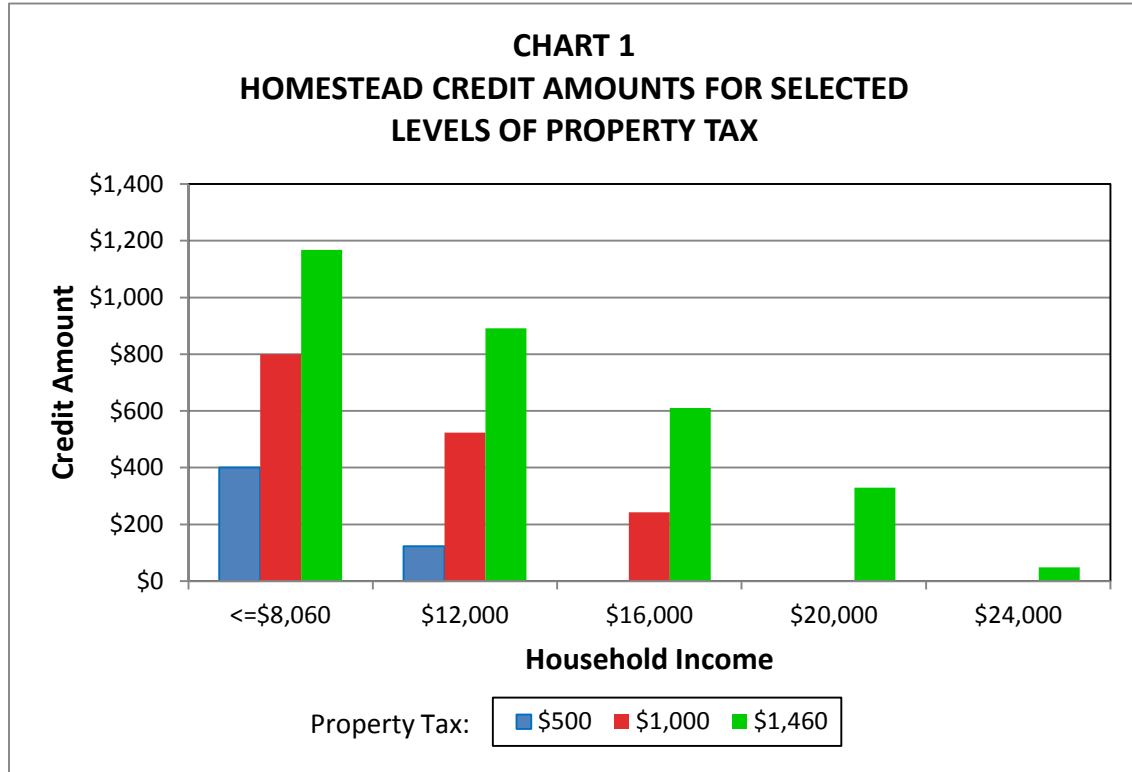
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2014 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 and the effects of property tax controls and relief efforts.

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 \$520 in FY2015.

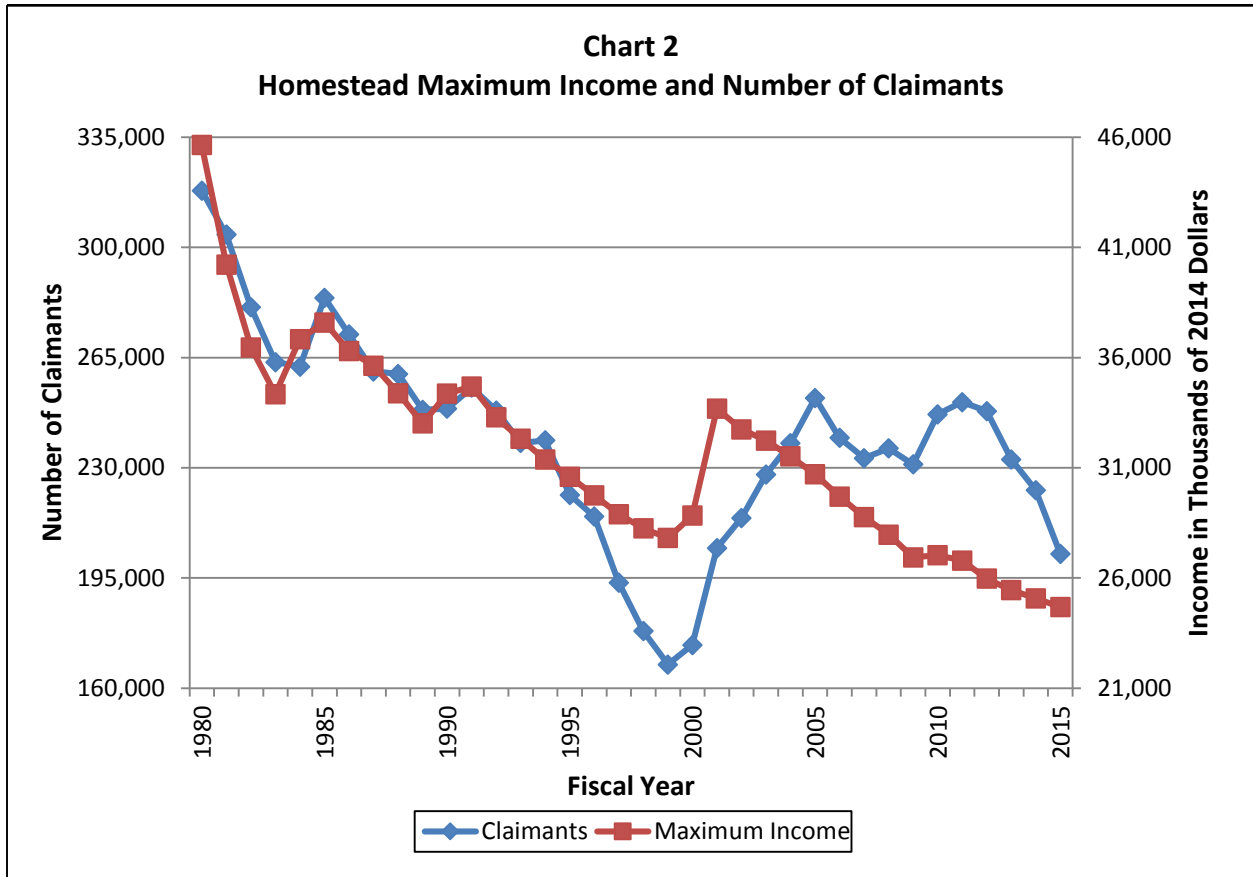
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

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 FY2015, the number of Homestead credit claimants decreased by an average of 0.1% annually, but recent claims have not reached the peak of the early 1980s.

**TABLE 1
WISCONSIN HOMESTEAD TAX CREDITS
FY65 - FY15**

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%
2015	\$105,304,258	-10.0%	202,687	-9.1%	\$520	-1.0%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2014 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 \$45,652 in 2014 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 - FY15

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
2011-15	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 FY2015, 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 30% 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, FY15**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	1,774	0.9%	\$ 2,528,174	\$ 1,425	\$ 23,041,928	\$ 12,989	\$ 905,314	0.9%	\$ 510	35.8%
18-25	16,870	8.3%	19,979,376	1,184	208,255,432	12,345	8,131,872	7.7%	482	40.7%
26-35	28,991	14.3%	43,984,338	1,517	395,625,294	13,646	15,390,826	14.6%	531	35.0%
36-45	22,820	11.3%	38,486,467	1,687	304,982,237	13,365	13,145,152	12.5%	576	34.2%
46-55	34,413	17.0%	57,590,569	1,674	435,354,107	12,651	20,375,774	19.3%	592	35.4%
56-60	20,024	9.9%	33,708,304	1,683	253,992,803	12,684	11,544,958	11.0%	577	34.2%
61-62	7,607	3.8%	12,997,562	1,709	99,567,106	13,089	4,227,874	4.0%	556	32.5%
63-65	10,164	5.0%	17,326,786	1,705	144,160,222	14,183	5,103,346	4.8%	502	29.5%
66 and older	60,024	29.6%	110,886,214	1,847	963,952,840	16,059	26,479,142	25.1%	441	23.9%
Total	202,687	100.0%	\$337,487,790	\$ 1,665	\$ 2,828,931,969	\$ 13,957	\$ 105,304,258	100.0%	\$ 520	31.2%

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 FY2015 was \$13,957. The average income of renters was somewhat lower at \$13,189, while the average income of homeowners was higher at \$15,236. 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 \$311 for the highest income group.

TABLE 4
HOMESTEAD BENEFITS BY INCOME CLASS , FY15

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	3,343	1.6%	\$8,068,818	\$2,414	\$3,297,346	3.1%	\$986	40.9%
\$0 to \$2,500	3,986	2.0%	6,406,809	1,607	3,517,740	3.3%	883	54.9%
\$2,500 to \$8,000	18,450	9.1%	24,946,561	1,352	15,045,426	14.3%	815	60.3%
\$8,000 to \$15,000	88,538	43.7%	120,190,039	1,357	55,973,848	53.2%	632	46.6%
\$15,000 to \$24,500	88,370	43.6%	177,875,563	2,013	27,469,898	26.1%	311	15.4%
Total	202,687	100.0%	\$337,487,790	\$1,665	\$105,304,258	100.0%	\$520	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 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 2012 Individual Income Tax Model using a stratified sample of 20,161 income tax and Homestead credit returns filed for tax year 2012 weighted to represent the population of tax filers and Homestead claimants. More recent data are not yet available.

Nearly four-fifths (79.8%) of Homestead claimants file income tax returns, though only 17% of these claimants actually have a net tax liability before the Homestead credit is applied. For those claimants with tax liability prior to the Homestead credit, the average tax amount was \$204 and the average Homestead credit was \$262, so the majority of these claimants receive a refund check.

**TABLE 5
SOURCES OF HOUSEHOLD INCOME FOR HOMESTEAD FILERS, 2012**

	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	\$ 1,259,883,471	50.0%	105,909	N/A	N/A	N/A	N/A	N/A	N/A
Interest and Dividends	51,754,118	2.1%	60,202	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	1,311,637,589	52.0%	145,495	\$ 10,324,332	1.8%	8,436	\$1,321,961,921	42.8%	\$8,588
Farm Income	-13,963,817	-0.6%	3,097	N/A	N/A	N/A	N/A	N/A	N/A
Business Income	116,648,925	4.6%	25,247	N/A	N/A	N/A	N/A	N/A	N/A
Other Taxable	-1,501,829,619	-59.6%	164,515	1,017,204	0.2%	1,332	-1,500,812,415	-48.6%	-9,049
Total Taxable	1,224,130,667	48.6%	152,194	11,341,536	2.0%	9,324	1,235,472,203	40.0%	7,649
Nontaxable Sources									
Social Security	932,932,159	37.0%	74,942	511,083,516	90.3%	43,956	1,444,015,675	46.8%	12,145
Rail Road Retirement	820,512	0.0%	111	13,161,492	2.3%	888	13,982,004	0.5%	13,996
Unemployment Comp.	87,907,812	3.5%	19,759	0	0.0%	0	87,907,812	2.8%	4,449
Pensions	106,625,019	4.2%	27,995	29,369,712	5.2%	8,436	135,994,731	4.4%	3,733
Public Assistance	3,566,874	0.1%	2,553	3,123,984	0.6%	888	6,690,858	0.2%	1,944
Other Nontaxable	54,172,672	2.1%	22,917	636,252	0.1%	888	54,808,924	1.8%	2,302
Total Nontaxable	1,186,025,048	47.0%	112,179	557,374,956	98.4%	45,732	1,743,400,004	56.5%	11,040
Dependent Deduction	43,362,500	1.7%	50,692	2,442,000	0.4%	3,552	45,804,500	1.5%	844
Total Income	\$ 2,521,297,541	100.0%	185,827	566,274,492	100.0%	47,064	\$3,087,572,033	100.0%	13,258

Source: 2012 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 74,598 dependents in FY15. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

**TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY15**

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	523	1.0%	1,072	4.9%	1,595	2.1%
\$0 to \$2,500	934	1.8%	499	2.3%	1,433	1.9%
\$2,500 to \$8,000	6,051	11.4%	2,249	10.4%	8,300	11.1%
\$8,000 to \$15,000	21,889	41.4%	6,385	29.4%	28,274	37.9%
\$15,000 to \$24,500	23,474	44.4%	11,522	53.0%	34,996	46.9%
Total	52,871	100%	21,727	100%	74,598	100%

**TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY15**

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	443	0.8%	183	0.8%	626	0.8%
18-25	6,305	11.9%	480	2.2%	6,785	9.1%
26-35	22,529	42.6%	4,538	20.9%	27,067	36.3%
36-45	14,722	27.8%	7,080	32.6%	21,802	29.2%
46-55	6,636	12.6%	6,432	29.6%	13,068	17.5%
56-60	1,293	2.4%	1,597	7.4%	2,890	3.9%
61-62	311	0.6%	361	1.7%	672	0.9%
63-65	264	0.5%	324	1.5%	588	0.8%
66 and older	368	0.7%	732	3.4%	1,100	1.5%
Total	52,871	100.0%	21,727	100.0%	74,598	100.0%

5. Housing Status

Homeowners received \$41.2 million (or 39%) of the total \$105.3 million in credits in FY15 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 \$541, compared with an average of \$506 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, FY15**

Household Income	Renters							
	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,317	1.0%	\$1,731,792	\$1,315	\$1,122,450	1.8%	\$852	64.8%
\$0 to \$2,500	2,244	1.8%	2,548,444	1,136	1,745,916	2.7%	778	68.5%
\$2,500 to \$8,000	12,821	10.1%	13,367,241	1,043	9,422,246	14.7%	735	70.5%
\$8,000 to \$15,000	64,911	51.3%	73,955,035	1,139	38,158,174	59.5%	588	51.6%
\$15,000 to \$24,500	45,330	35.8%	74,684,804	1,648	13,675,508	21.3%	302	18.3%
Total	126,623	100.0%	\$166,287,316	\$1,313	\$64,124,294	100.0%	\$506	38.6%

Household Income	Owners							
	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,026	2.7%	\$6,337,026	\$3,128	\$2,174,896	5.3%	\$1,073	34.3%
\$0 to \$2,500	1,742	2.3%	3,858,365	2,215	1,771,824	4.3%	1,017	45.9%
\$2,500 to \$8,000	5,629	7.4%	11,579,320	2,057	5,623,180	13.7%	999	48.6%
\$8,000 to \$15,000	23,627	31.1%	46,235,004	1,957	17,815,674	43.3%	754	38.5%
\$15,000 to \$24,500	43,040	56.6%	103,190,759	2,398	13,794,390	33.5%	321	13.4%
Total	76,064	100.0%	\$171,200,474	\$2,251	41,179,964	100.0%	\$541	24.1%

**TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY15**

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	1,328	1.0%	\$1,560,119	\$1,175	\$16,374,979	\$12,331	\$664,200	1.0%	\$500	42.6%
18-25	16,169	12.8%	18,497,549	1,144	198,002,085	12,246	7,749,828	12.1%	479	41.9%
26-35	25,160	19.9%	35,886,304	1,426	339,444,517	13,491	13,271,654	20.7%	527	37.0%
36-45	16,904	13.3%	24,937,133	1,475	222,645,673	13,171	9,576,668	14.9%	567	38.4%
46-55	21,537	17.0%	28,350,331	1,316	267,351,540	12,414	12,162,546	19.0%	565	42.9%
56-60	11,256	8.9%	13,748,451	1,221	138,208,157	12,279	6,025,918	9.4%	535	43.8%
61-62	4,065	3.2%	4,859,269	1,195	51,263,431	12,611	2,067,424	3.2%	509	42.5%
63-65	5,403	4.3%	6,378,288	1,181	71,180,660	13,174	2,564,212	4.0%	475	40.2%
66 and older	24,801	19.6%	32,069,872	1,293	365,587,520	14,741	10,041,844	15.7%	405	31.3%
Total	126,623	100.0%	\$166,287,316	\$1,313	\$1,670,058,562	\$13,189	\$64,124,294	100.0%	\$506	38.6%

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	446	0.6%	\$968,055	\$2,171	\$6,666,949	\$14,948	\$241,114	0.6%	\$541	24.9%
18-25	701	0.9%	1,481,827	2,114	10,253,347	14,627	382,044	0.9%	545	25.8%
26-35	3,831	5.0%	8,098,034	2,114	56,180,777	14,665	2,119,172	5.1%	553	26.2%
36-45	5,916	7.8%	13,549,334	2,290	82,336,564	13,918	3,568,484	8.7%	603	26.3%
46-55	12,876	16.9%	29,240,238	2,271	168,002,567	13,048	8,213,228	19.9%	638	28.1%
56-60	8,768	11.5%	19,959,853	2,276	115,784,646	13,205	5,519,040	13.4%	629	27.7%
61-62	3,542	4.7%	8,138,293	2,298	48,303,675	13,637	2,160,450	5.2%	610	26.5%
63-65	4,761	6.3%	10,948,498	2,300	72,979,562	15,329	2,539,134	6.2%	533	23.2%
66 and older	35,223	46.3%	78,816,342	2,238	598,365,320	16,988	16,437,298	39.9%	467	20.9%
Total	76,064	100.0%	\$171,200,474	\$2,251	\$1,158,873,407	\$15,236	\$41,179,964	100.0%	\$541	24.1%

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 also the most populous, 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, FY15

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	873	0.4%	\$1,271,133	\$1,456	\$11,681,164	\$13,380	\$436,188	0.4%	\$500	34.3%
Ashland	671	0.3%	800,048	1,192	9,093,656	13,552	282,456	0.3%	421	35.3%
Barron	2,044	1.0%	2,957,942	1,447	28,535,143	13,960	974,426	0.9%	477	32.9%
Bayfield	521	0.3%	725,695	1,393	6,637,343	12,740	264,194	0.3%	507	36.4%
Brown	8,288	4.1%	12,875,889	1,554	118,130,491	14,253	4,049,240	3.8%	489	31.4%
Buffalo	560	0.3%	814,060	1,454	7,437,414	13,281	280,390	0.3%	501	34.4%
Burnett	541	0.3%	692,943	1,281	7,122,890	13,166	248,718	0.2%	460	35.9%
Calumet	1,021	0.5%	1,802,640	1,766	15,229,215	14,916	481,822	0.5%	472	26.7%
Chippewa	2,347	1.2%	3,344,784	1,425	32,468,272	13,834	1,158,658	1.1%	494	34.6%
Clark	1,309	0.6%	1,929,776	1,474	17,382,263	13,279	680,312	0.6%	520	35.3%
Columbia	1,578	0.8%	2,844,770	1,803	22,844,058	14,477	813,750	0.8%	516	28.6%
Crawford	730	0.4%	1,105,385	1,514	10,026,952	13,736	353,020	0.3%	484	31.9%
Dane	13,345	6.6%	26,221,507	1,965	189,750,274	14,219	7,092,606	6.7%	531	27.0%
Dodge	2,453	1.2%	4,247,164	1,731	36,694,037	14,959	1,193,112	1.1%	486	28.1%
Door	985	0.5%	1,624,937	1,650	14,283,616	14,501	503,226	0.5%	511	31.0%
Douglas	1,785	0.9%	2,400,623	1,345	24,013,684	13,453	844,340	0.8%	473	35.2%
Dunn	1,310	0.6%	1,995,252	1,523	17,293,581	13,201	673,146	0.6%	514	33.7%
Eau Claire	4,190	2.1%	6,191,185	1,478	57,561,388	13,738	2,087,032	2.0%	498	33.7%
Florence	173	0.1%	216,625	1,252	2,120,627	12,258	74,444	0.1%	430	34.4%
Fond du Lac	3,168	1.6%	4,998,213	1,578	46,104,986	14,553	1,505,904	1.4%	475	30.1%
Forest	343	0.2%	392,721	1,145	4,323,850	12,606	144,422	0.1%	421	36.8%
Grant	1,528	0.8%	2,171,060	1,421	20,605,605	13,485	730,012	0.7%	478	33.6%
Green	1,260	0.6%	2,288,103	1,816	18,388,942	14,594	642,344	0.6%	510	28.1%
Green Lake	670	0.3%	1,105,936	1,651	9,808,829	14,640	333,832	0.3%	498	30.2%
Iowa	740	0.4%	1,217,645	1,645	10,217,506	13,807	376,148	0.4%	508	30.9%
Iron	307	0.2%	348,217	1,134	4,019,578	13,093	122,998	0.1%	401	35.3%
Jackson	676	0.3%	1,015,150	1,502	8,926,890	13,205	353,880	0.3%	523	34.9%
Jefferson	2,239	1.1%	\$4,129,616	\$1,844	\$33,540,680	\$14,980	\$1,080,748	1.0%	\$483	26.2%

TABLE 10 (Continued)
HOMESTEAD CREDIT BY COUNTY, FY15

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Income	Amount	% of Total	Credit	Relief
Juneau	1,078	0.5%	\$1,487,465	\$1,380	\$14,421,658	\$13,378	\$528,050	0.5%	\$490	35.5%
Kenosha	5,664	2.8%	10,605,057	1,872	79,975,369	14,120	3,096,602	2.9%	547	29.2%
Kewaunee	605	0.3%	966,611	1,598	8,768,094	14,493	290,490	0.3%	480	30.1%
La Crosse	4,515	2.2%	7,165,198	1,587	62,886,395	13,928	2,212,590	2.1%	490	30.9%
Lafayette	505	0.2%	757,675	1,500	6,944,158	13,751	253,028	0.2%	501	33.4%
Langlade	1,038	0.5%	1,251,599	1,206	13,629,198	13,130	482,652	0.5%	465	38.6%
Lincoln	1,066	0.5%	1,630,592	1,530	14,795,545	13,879	513,748	0.5%	482	31.5%
Manitowoc	3,018	1.5%	4,499,684	1,491	43,670,439	14,470	1,445,710	1.4%	479	32.1%
Marathon	4,858	2.4%	7,537,768	1,552	69,227,880	14,250	2,457,472	2.3%	506	32.6%
Marinette	1,491	0.7%	1,727,965	1,159	19,554,577	13,115	659,536	0.6%	442	38.2%
Marquette	728	0.4%	1,190,104	1,635	10,207,608	14,021	378,730	0.4%	520	31.8%
Menominee	22	0.0%	34,213	1,555	241,333	10,970	9,284	0.0%	422	27.1%
Milwaukee	50,076	24.7%	84,939,649	1,696	673,572,177	13,451	28,281,778	26.9%	565	33.3%
Monroe	1,491	0.7%	2,260,166	1,516	20,222,441	13,563	739,906	0.7%	496	32.7%
Oconto	1,277	0.6%	1,862,127	1,458	17,552,990	13,745	645,196	0.6%	505	34.6%
Oneida	1,372	0.7%	1,970,100	1,436	19,268,459	14,044	650,648	0.6%	474	33.0%
Outagamie	5,401	2.7%	8,833,791	1,636	78,780,248	14,586	2,684,440	2.5%	497	30.4%
Ozaukee	1,751	0.9%	3,872,291	2,211	26,148,984	14,934	921,010	0.9%	526	23.8%
Pepin	294	0.1%	443,012	1,507	4,124,040	14,027	141,176	0.1%	480	31.9%
Pierce	821	0.4%	1,447,567	1,763	11,523,666	14,036	427,902	0.4%	521	29.6%
Polk	1,383	0.7%	2,124,384	1,536	19,394,707	14,024	684,786	0.7%	495	32.2%
Portage	2,430	1.2%	3,552,805	1,462	33,221,648	13,671	1,214,972	1.2%	500	34.2%
Price	634	0.3%	821,852	1,296	8,637,071	13,623	293,612	0.3%	463	35.7%
Racine	7,255	3.6%	12,890,929	1,777	101,301,069	13,963	4,149,894	3.9%	572	32.2%
Richland	631	0.3%	883,934	1,401	8,405,381	13,321	317,414	0.3%	503	35.9%
Rock	6,490	3.2%	10,207,428	1,573	89,720,141	13,824	3,377,402	3.2%	520	33.1%
Rusk	599	0.3%	747,348	1,248	7,930,112	13,239	273,416	0.3%	456	36.6%
St. Croix	1,588	0.8%	2,869,692	1,807	23,072,316	14,529	808,422	0.8%	509	28.2%
Sauk	2,107	1.0%	3,675,155	1,744	30,414,660	14,435	1,070,896	1.0%	508	29.1%
Sawyer	483	0.2%	590,093	1,222	6,265,724	12,973	211,216	0.2%	437	35.8%
Shawano	1,542	0.8%	2,163,749	1,403	21,305,986	13,817	746,244	0.7%	484	34.5%
Sheboygan	3,929	1.9%	6,160,562	1,568	56,607,074	14,408	1,877,172	1.8%	478	30.5%
Taylor	691	0.3%	1,115,432	1,614	9,423,237	13,637	375,580	0.4%	544	33.7%
Trempealeau	985	0.5%	1,671,264	1,697	13,666,953	13,875	530,466	0.5%	539	31.7%
Vernon	1,191	0.6%	1,864,552	1,566	15,923,234	13,370	617,350	0.6%	518	33.1%
Vilas	855	0.4%	1,174,367	1,374	11,650,691	13,627	392,598	0.4%	459	33.4%
Walworth	2,798	1.4%	5,694,388	2,035	40,419,594	14,446	1,543,480	1.5%	552	27.1%
Washburn	626	0.3%	824,787	1,318	8,312,566	13,279	297,436	0.3%	475	36.1%
Washington	2,808	1.4%	5,289,721	1,884	42,233,228	15,040	1,424,182	1.4%	507	26.9%
Waukesha	7,394	3.6%	16,237,977	2,196	112,249,231	15,181	3,739,300	3.6%	506	23.0%
Waupaca	2,125	1.0%	3,269,854	1,539	29,882,283	14,062	1,047,276	1.0%	493	32.0%
Waushara	990	0.5%	1,529,611	1,545	13,517,944	13,654	520,304	0.5%	526	34.0%
Winnebago	5,808	2.9%	9,279,418	1,598	83,113,506	14,310	2,908,004	2.8%	501	31.3%
Wood	3,355	1.7%	4,687,647	1,397	46,688,488	13,916	1,592,306	1.5%	475	34.0%
Unknown	1,264	0.6%	1,949,188	1,542	15,816,932	12,513	689,214	0.7%	545	35.4%
Total	202,687	100.0%	\$337,487,790	\$1,665	\$2,828,931,969	\$13,957	\$105,304,258	100.0%	\$520	31.2%

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

**TABLE 11
HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY15**

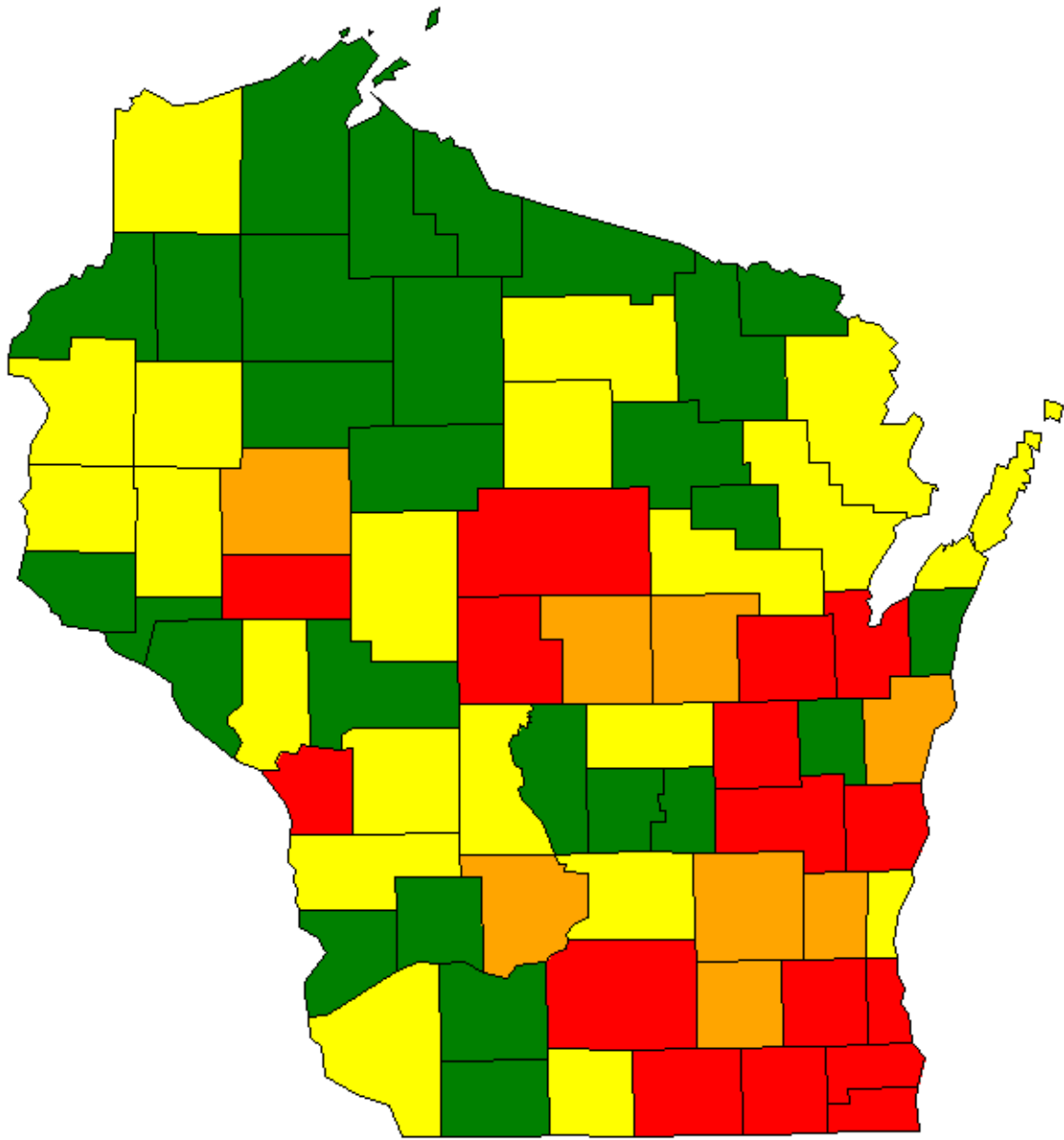
County	Total Returns	Homestead Returns	% of Returns with Homestead	2014 Population	Homestead Population	% of Pop. with Homestead
Adams	9,804	873	8.9%	20,844	1,236	5.9%
Ashland	7,654	671	8.8%	16,071	931	5.8%
Barron	23,632	2,044	8.6%	46,020	2,854	6.2%
Bayfield	7,679	521	6.8%	15,059	715	4.7%
Brown	127,910	8,288	6.5%	253,156	12,220	4.8%
Buffalo	6,936	560	8.1%	13,594	764	5.6%
Burnett	7,409	541	7.3%	15,462	738	4.8%
Calumet	22,360	1,021	4.6%	49,715	1,418	2.9%
Chippewa	29,902	2,347	7.8%	63,038	3,331	5.3%
Clark	14,827	1,309	8.8%	34,697	2,355	6.8%
Columbia	29,194	1,578	5.4%	56,795	2,331	4.1%
Crawford	7,875	730	9.3%	16,628	1,033	6.2%
Dane	266,170	13,345	5.0%	502,251	17,989	3.6%
Dodge	42,227	2,453	5.8%	89,203	3,351	3.8%
Door	15,162	985	6.5%	27,976	1,327	4.7%
Douglas	20,944	1,785	8.5%	44,196	2,547	5.8%
Dunn	19,364	1,310	6.8%	43,917	1,779	4.1%
Eau Claire	50,018	4,190	8.4%	100,477	5,862	5.8%
Florence	2,150	173	8.0%	4,450	252	5.7%
Fond du Lac	50,260	3,168	6.3%	102,424	4,395	4.3%
Forest	4,307	343	8.0%	9,253	506	5.5%
Grant	23,088	1,528	6.6%	52,603	2,192	4.2%
Green	18,450	1,260	6.8%	36,822	1,753	4.8%
Green Lake	9,508	670	7.0%	19,114	1,080	5.7%
Iowa	11,754	740	6.3%	23,809	957	4.0%
Iron	3,096	307	9.9%	5,915	398	6.7%
Jackson	9,324	676	7.3%	20,630	1,028	5.0%
Jefferson	40,499	2,239	5.5%	83,974	3,146	3.7%
Juneau	12,347	1,078	8.7%	26,934	1,581	5.9%
Kenosha	79,906	5,664	7.1%	167,258	8,713	5.2%
Kewaunee	10,178	605	5.9%	20,652	818	4.0%
La Crosse	57,211	4,515	7.9%	116,740	6,068	5.2%
Lafayette	7,898	505	6.4%	16,914	707	4.2%
Langlade	9,856	1,038	10.5%	19,847	1,446	7.3%
Lincoln	14,212	1,066	7.5%	28,816	1,463	5.1%
Manitowoc	40,693	3,018	7.4%	81,320	4,178	5.1%
Marathon	67,834	4,858	7.2%	134,803	6,883	5.1%
Marinette	20,800	1,491	7.2%	41,605	2,115	5.1%
Marquette	7,451	728	9.8%	15,399	1,075	7.0%
Menominee	1,522	22	1.4%	4,236	37	0.9%
Milwaukee	464,853	50,076	10.8%	949,741	77,637	8.2%
Monroe	21,019	1,491	7.1%	45,339	2,468	5.4%
Oconto	18,383	1,277	6.9%	38,014	1,845	4.9%
Oneida	18,895	1,372	7.3%	36,082	1,879	5.2%

TABLE 11 (Continued)
HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY15

County	Total Returns	Homestead Returns	% of Returns with Homestead	2014 Population	Homestead Population	% of Pop. with Homestead
Outagamie	93,207	5,401	5.8%	180,022	7,623	4.2%
Ozaukee	44,441	1,751	3.9%	87,116	2,359	2.7%
Pepin	3,619	294	8.1%	7,445	437	5.9%
Pierce	18,705	821	4.4%	41,107	1,108	2.7%
Polk	21,116	1,383	6.5%	44,237	1,974	4.5%
Portage	33,554	2,430	7.2%	70,882	3,218	4.5%
Price	7,106	634	8.9%	14,155	808	5.7%
Racine	95,947	7,255	7.6%	195,461	11,436	5.9%
Richland	7,984	631	7.9%	17,995	993	5.5%
Rock	79,298	6,490	8.2%	160,104	9,686	6.0%
Rusk	6,624	599	9.0%	14,790	872	5.9%
St. Croix	41,291	1,588	3.8%	85,735	2,282	2.7%
Sauk	33,289	2,107	6.3%	62,092	2,959	4.8%
Sawyer	8,004	483	6.0%	16,676	684	4.1%
Shawano	19,667	1,542	7.8%	41,859	2,207	5.3%
Sheboygan	58,834	3,929	6.7%	115,362	5,468	4.7%
Taylor	9,145	691	7.6%	20,733	1,156	5.6%
Trempealeau	15,108	985	6.5%	29,184	1,448	5.0%
Vernon	13,276	1,191	9.0%	29,977	2,184	7.3%
Vilas	10,908	855	7.8%	21,523	1,198	5.6%
Walworth	49,032	2,798	5.7%	102,837	4,007	3.9%
Washburn	8,177	626	7.7%	15,948	898	5.6%
Washington	67,267	2,808	4.2%	133,071	3,788	2.8%
Waukesha	202,630	7,394	3.6%	392,761	10,138	2.6%
Waupaca	26,217	2,125	8.1%	52,435	2,912	5.6%
Waushara	11,359	990	8.7%	24,511	1,528	6.2%
Winnebago	82,398	5,808	7.0%	168,216	8,030	4.8%
Wood	38,115	3,355	8.8%	74,954	4,786	6.4%
Total	3,047,669	202,687	3.5%	5,732,981	295,362	5.2%

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

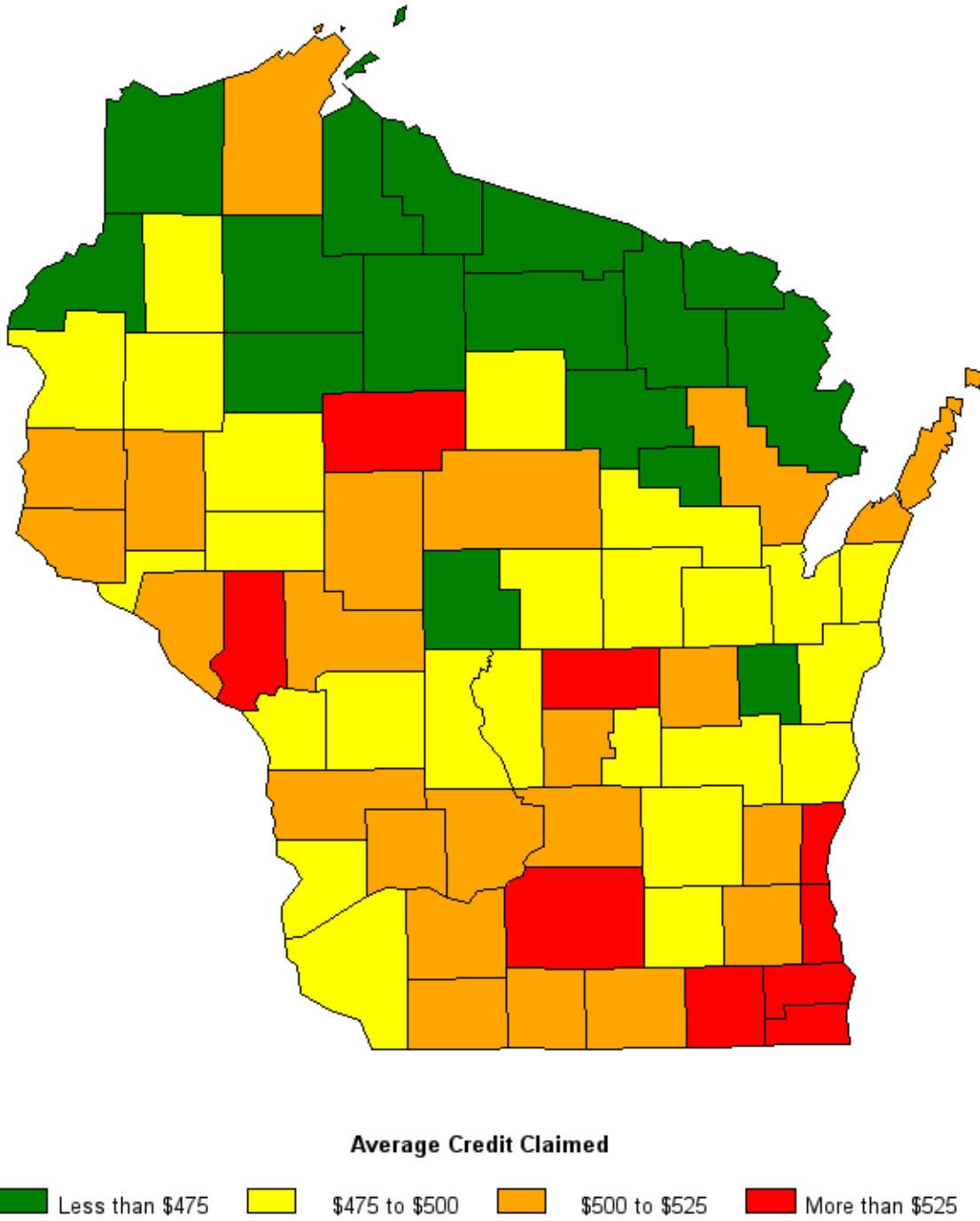
MAP 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY15



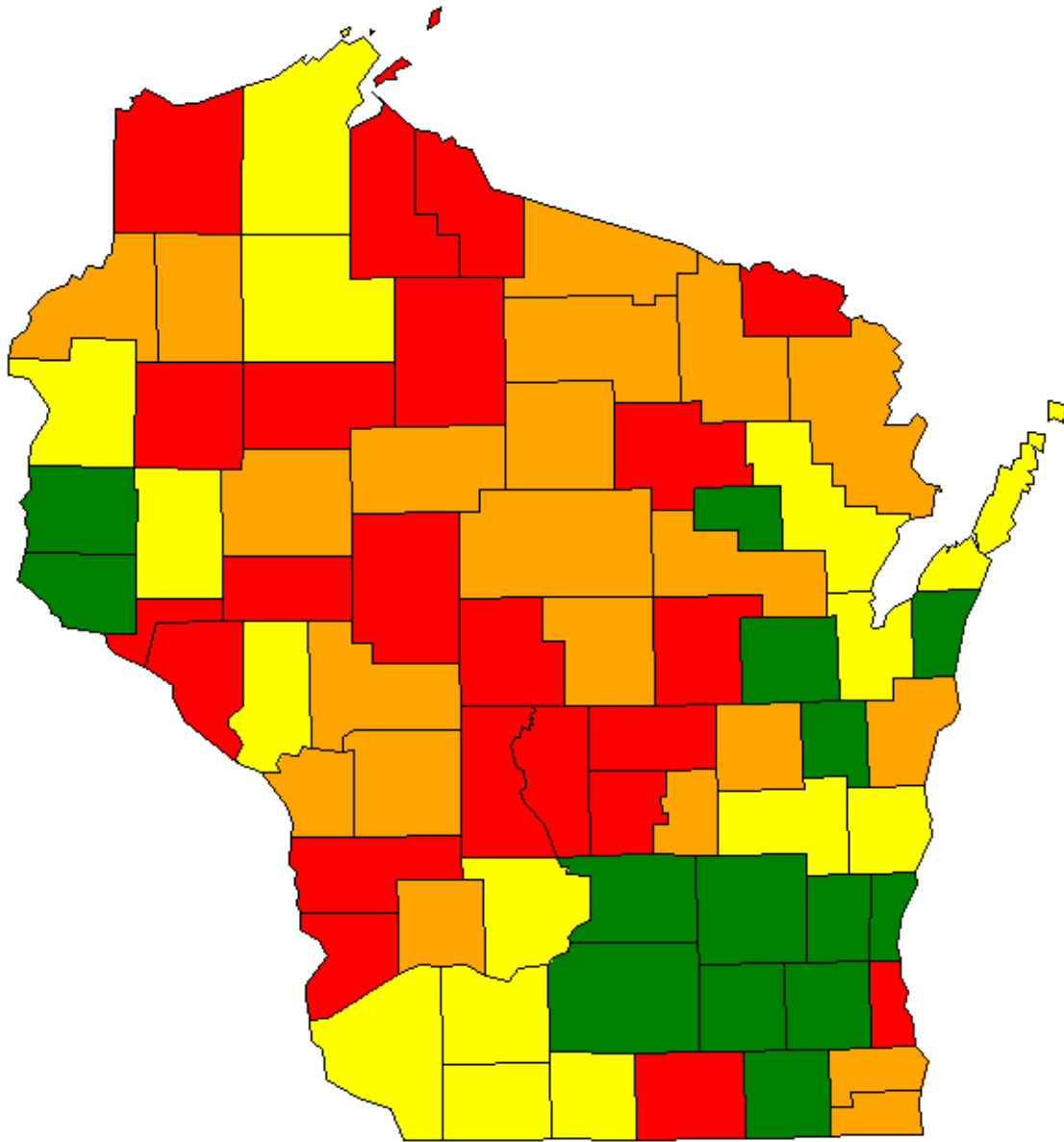
Total Credit Claimed

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

MAP 2
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY15



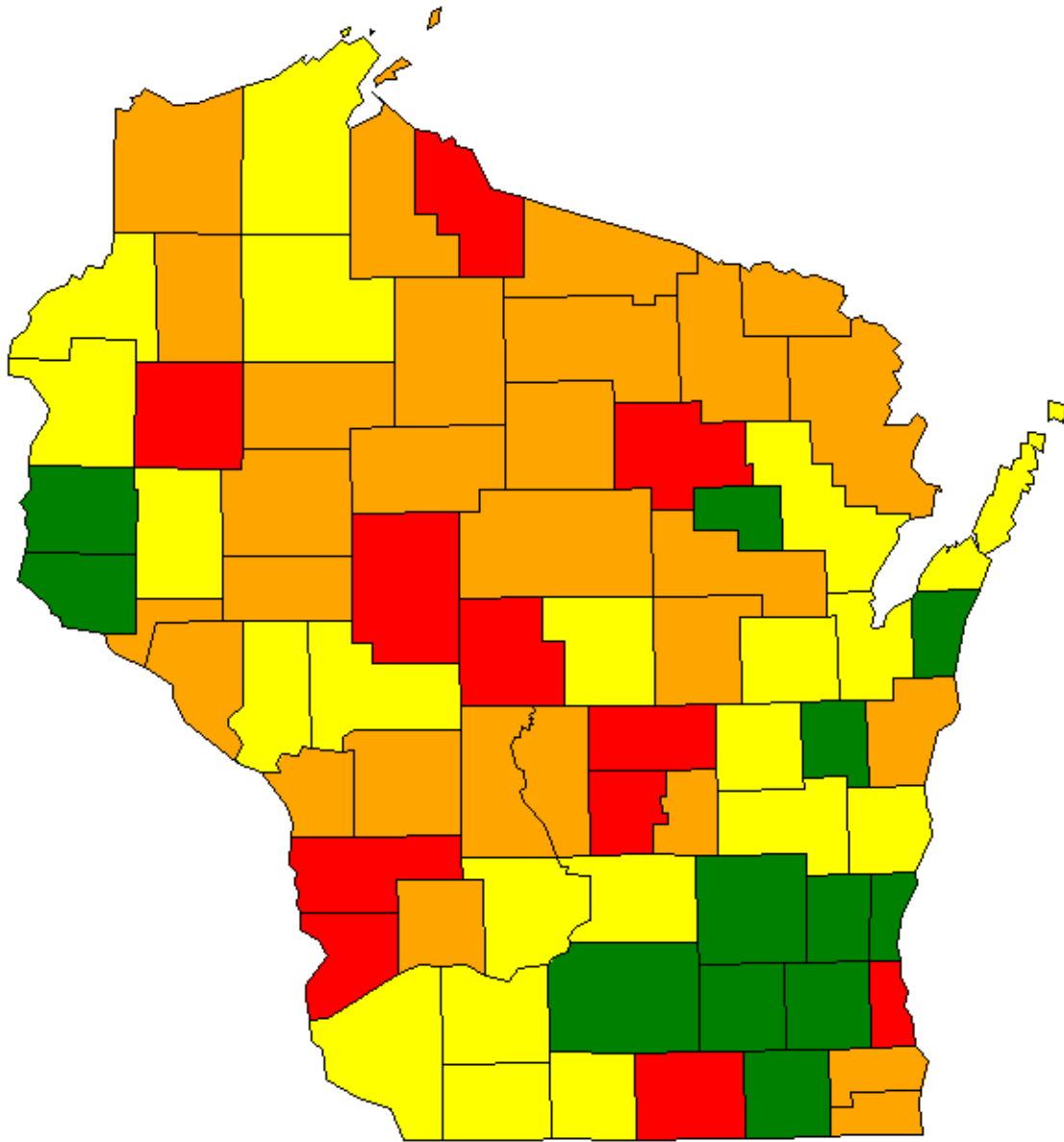
PERCENT OF RETURNS WITH HOMESTEAD CREDITS BY COUNTY, FY15



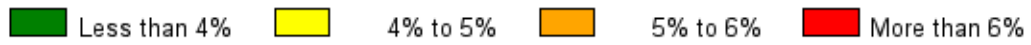
Pct of Returns with Homestead



PERCENT OF POPULATION WITH HOMESTEAD CREDITS BY COUNTY, FY15



Pct of Population with Homestead



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