

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY16

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 191,459 Wisconsin tax filers claimed Homestead credits amounting to \$98.4 million in FY16. The average credit was \$514.

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 2016, for property taxes accrued in 2015, 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 2016 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.

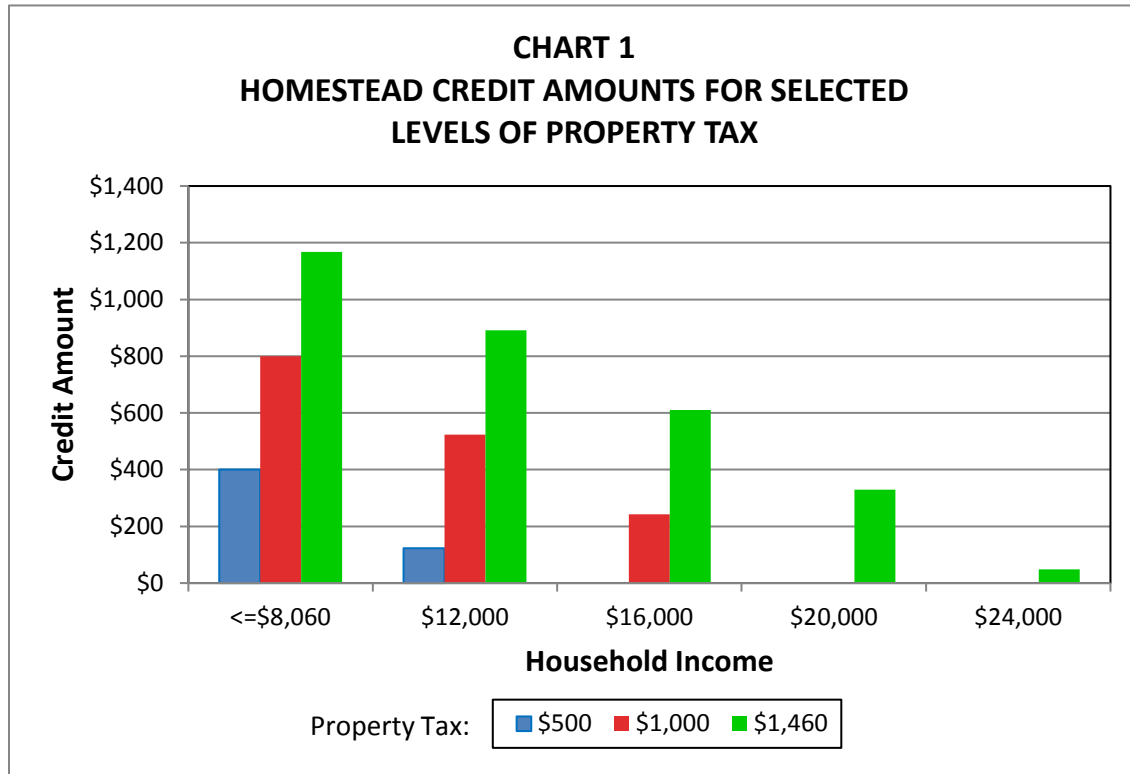
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2015 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 \$514 in FY2016.

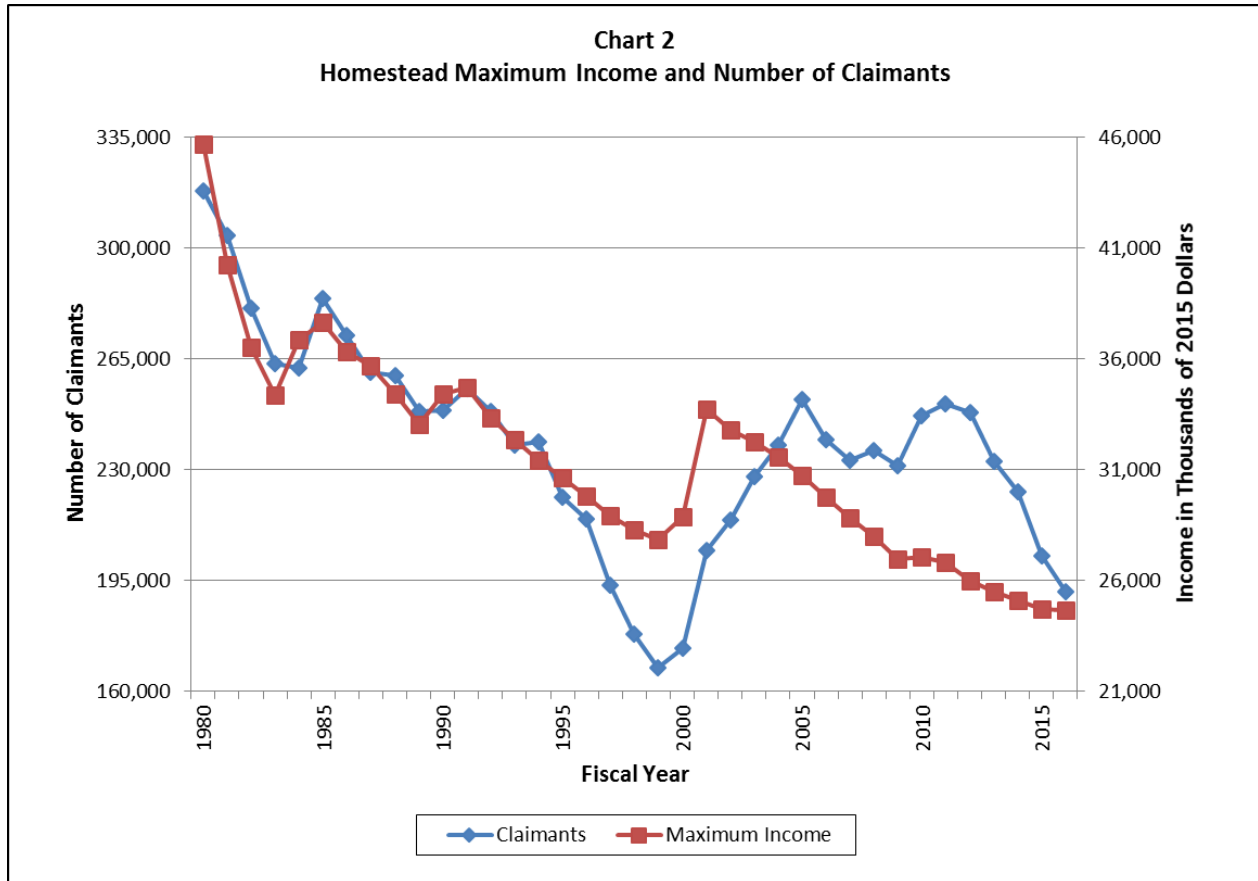
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

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 FY2016, the number of Homestead credit claimants decreased by an average of 0.4% annually, and recent claims have receded from the peak of the early 1980s.

TABLE 1
WISCONSIN HOMESTEAD TAX CREDIT HISTORICAL CLAIMS

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%
2016	\$98,405,320	-6.6%	191,459	-5.5%	\$514	-1.1%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2015 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 \$45,706 in 2015 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 - FY16

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
2011-16	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 FY2016, 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, FY16

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	1,678	0.9%	\$2,387,616	\$1,423	\$21,810,272	\$12,998	\$846,392	0.9%	\$504	35.4%
18-25	15,455	8.1%	18,907,349	1,223	195,831,406	12,671	7,372,466	7.5%	477	39.0%
26-35	26,684	13.9%	41,154,771	1,542	365,232,401	13,687	14,106,046	14.3%	529	34.3%
36-45	21,377	11.2%	36,594,138	1,712	289,085,008	13,523	12,203,998	12.4%	571	33.3%
46-55	30,962	16.2%	52,396,874	1,692	396,934,275	12,820	18,116,070	18.4%	585	34.6%
56-60	19,842	10.4%	33,312,025	1,679	254,048,362	12,804	11,402,536	11.6%	575	34.2%
61-62	7,675	4.0%	13,136,006	1,712	101,498,597	13,225	4,252,392	4.3%	554	32.4%
63-65	10,551	5.5%	18,052,626	1,711	151,219,212	14,332	5,260,288	5.3%	499	29.1%
66 and older	57,235	29.9%	105,550,771	1,844	924,049,167	16,145	24,845,132	25.2%	434	23.5%
Total	191,459	100.0%	\$321,492,176	\$1,679	\$2,699,708,700	\$14,101	\$98,405,320	100.0%	\$514	30.6%

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 FY2016 was \$14,101. The average income of renters was somewhat lower at \$13,398, while the average income of homeowners was higher at \$15,280. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$1,001 for the lowest income group to \$309 for the highest income group.

TABLE 4
HOMESTEAD BENEFITS BY INCOME CLASS , FY16

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	3,022	1.6%	\$7,455,971	\$2,467	\$3,024,184	3.1%	\$1,001	40.6%
\$0 to \$2,500	3,772	2.0%	6,315,853	1,674	3,333,316	3.4%	884	52.8%
\$2,500 to \$8,000	16,499	8.6%	22,353,782	1,355	13,430,092	13.6%	814	60.1%
\$8,000 to \$15,000	82,838	43.3%	113,313,414	1,368	52,250,832	53.1%	631	46.1%
\$15,000 to \$24,500	85,328	44.6%	172,053,156	2,016	26,366,896	26.8%	309	15.3%
Total	191,459	100.0%	\$321,492,176	\$1,679	\$98,405,320	100.0%	\$514	30.6%

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 68,739 dependents in FY16. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY16

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	522	1.1%	1,051	5.3%	1,573	2.3%
\$0 to \$2,500	857	1.8%	467	2.3%	1,324	1.9%
\$2,500 to \$8,000	5,466	11.2%	1,986	9.9%	7,452	10.8%
\$8,000 to \$15,000	19,168	39.3%	5,893	29.5%	25,061	36.5%
\$15,000 to \$24,500	22,717	46.6%	10,612	53.0%	33,329	48.5%
Total	48,730	100%	20,009	100%	68,739	100%

TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY16

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	367	0.8%	110	0.5%	477	0.7%
18-25	5,697	11.7%	451	2.3%	6,148	8.9%
26-35	21,043	43.2%	4,003	20.0%	25,046	36.4%
36-45	13,758	28.2%	6,562	32.8%	20,320	29.6%
46-55	5,785	11.9%	5,983	29.9%	11,768	17.1%
56-60	1,246	2.6%	1,540	7.7%	2,786	4.1%
61-62	262	0.5%	353	1.8%	615	0.9%
63-65	214	0.4%	342	1.7%	556	0.8%
66 and older	358	0.7%	665	3.3%	1,023	1.5%
Total	48,730	100.0%	20,009	100.0%	68,739	100.0%

5. Housing Status

Homeowners received \$38.5 million (or 39%) of the total \$98.4 million in credits in FY16 and renters received \$60.0 million (or 61%). Homeowners accounted for 37% of the number of claims and renters the remaining 63% of claims. As a result, the average credit for homeowners was \$538, compared with an average of \$500 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 above \$2,500, 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. 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, FY16

Household Income	Renters							
	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,128	0.9%	\$1,572,696	\$1,394	\$986,140	1.6%	\$874	62.7%
\$0 to \$2,500	2,075	1.7%	2,491,953	1,201	1,599,706	2.7%	771	64.2%
\$2,500 to \$8,000	11,263	9.4%	11,714,124	1,040	8,242,910	13.7%	732	70.4%
\$8,000 to \$15,000	60,952	50.8%	70,448,753	1,156	35,839,926	59.8%	588	50.9%
\$15,000 to \$24,500	44,532	37.1%	74,082,004	1,664	13,286,324	22.2%	298	17.9%
Total	119,950	100.0%	\$160,309,530	\$1,336	\$59,955,006	100.0%	\$500	37.4%

Household Income	Owners							
	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,894	2.6%	\$5,883,275	\$3,106	\$2,038,044	5.3%	\$1,076	34.6%
\$0 to \$2,500	1,697	2.4%	3,823,900	2,253	1,733,610	4.5%	1,022	45.3%
\$2,500 to \$8,000	5,236	7.3%	10,639,658	2,032	5,187,182	13.5%	991	48.8%
\$8,000 to \$15,000	21,886	30.6%	42,864,661	1,959	16,410,906	42.7%	750	38.3%
\$15,000 to \$24,500	40,796	57.1%	97,971,152	2,401	13,080,572	34.0%	321	13.4%
Total	71,509	100.0%	\$161,182,646	\$2,254	\$38,450,314	100.0%	\$538	23.9%

**TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY16**

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	1,269	1.1%	\$1,442,876	\$1,137	\$15,758,685	\$12,418	\$608,632	1.0%	\$480 42.2%
18-25	14,824	12.4%	17,653,594	1,191	186,717,732	12,596	7,033,840	11.7%	474 39.8%
26-35	23,321	19.4%	33,831,568	1,451	316,719,452	13,581	12,185,840	20.3%	523 36.0%
36-45	15,952	13.3%	24,027,687	1,506	213,321,011	13,373	8,950,406	14.9%	561 37.3%
46-55	19,538	16.3%	26,215,636	1,342	247,406,599	12,663	10,889,950	18.2%	557 41.5%
56-60	11,293	9.4%	14,060,485	1,245	141,587,750	12,538	6,000,042	10.0%	531 42.7%
61-62	4,089	3.4%	4,965,558	1,214	52,412,438	12,818	2,063,640	3.4%	505 41.6%
63-65	5,504	4.6%	6,603,136	1,200	73,532,741	13,360	2,592,168	4.3%	471 39.3%
66 and older	24,160	20.1%	31,508,990	1,304	359,615,713	14,885	9,630,488	16.1%	399 30.6%
Total	119,950	100.0%	\$160,309,530	\$1,336	\$1,607,072,121	\$13,398	\$59,955,006	100.0%	\$500 37.4%

Owners									
Age	Claimants		Property Tax		Household Income		Credit		
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit % of Relief
Unknown	409	0.6%	\$944,740	\$2,310	\$6,051,587	\$14,796	\$237,760	0.6%	\$581 25.2%
18-25	631	0.9%	1,253,755	1,987	9,113,674	14,443	338,626	0.9%	537 27.0%
26-35	3,363	4.7%	7,323,203	2,178	48,512,949	14,425	1,920,206	5.0%	571 26.2%
36-45	5,425	7.6%	12,566,451	2,316	75,763,997	13,966	3,253,592	8.5%	600 25.9%
46-55	11,424	16.0%	26,181,238	2,292	149,527,676	13,089	7,226,120	18.8%	633 27.6%
56-60	8,549	12.0%	19,251,540	2,252	112,460,612	13,155	5,402,494	14.1%	632 28.1%
61-62	3,586	5.0%	8,170,448	2,278	49,086,159	13,688	2,188,752	5.7%	610 26.8%
63-65	5,047	7.1%	11,449,490	2,269	77,686,471	15,393	2,668,120	6.9%	529 23.3%
66 and older	33,075	46.3%	74,041,781	2,239	564,433,454	17,065	15,214,644	39.6%	460 20.5%
Total	71,509	100.0%	\$161,182,646	\$2,254	\$1,092,636,579	\$15,280	\$38,450,314	100.0%	\$538 23.9%

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, FY16

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	857	0.4%	\$1,190,769	\$1,389	\$11,333,844	\$13,225	\$428,500	0.4%	\$500	36.0%
Ashland	604	0.3%	731,259	1,211	7,843,476	12,986	267,536	0.3%	443	36.6%
Barron	1,963	1.0%	2,838,991	1,446	27,462,256	13,990	936,914	1.0%	477	33.0%
Bayfield	516	0.3%	711,348	1,379	6,733,750	13,050	244,178	0.2%	473	34.3%
Brown	7,776	4.1%	12,136,523	1,561	111,616,481	14,354	3,782,492	3.8%	486	31.2%
Buffalo	562	0.3%	914,792	1,628	7,428,623	13,218	289,072	0.3%	514	31.6%
Burnett	505	0.3%	621,774	1,231	6,621,446	13,112	232,226	0.2%	460	37.3%
Calumet	979	0.5%	1,761,232	1,799	14,794,240	15,112	462,096	0.5%	472	26.2%
Chippewa	2,232	1.2%	3,181,328	1,425	31,134,112	13,949	1,075,896	1.1%	482	33.8%
Clark	1,261	0.7%	1,908,358	1,513	16,470,363	13,061	670,916	0.7%	532	35.2%
Columbia	1,467	0.8%	2,713,800	1,850	21,431,625	14,609	761,034	0.8%	519	28.0%
Crawford	682	0.4%	1,033,845	1,516	9,388,033	13,765	326,026	0.3%	478	31.5%
Dane	12,633	6.6%	25,519,614	2,020	180,366,909	14,277	6,761,994	6.9%	535	26.5%
Dodge	2,314	1.2%	4,037,672	1,745	34,650,219	14,974	1,117,116	1.1%	483	27.7%
Door	937	0.5%	1,573,740	1,680	13,941,605	14,879	462,286	0.5%	493	29.4%
Douglas	1,697	0.9%	2,299,992	1,355	22,658,044	13,352	809,834	0.8%	477	35.2%
Dunn	1,244	0.6%	1,980,349	1,592	16,919,625	13,601	636,426	0.6%	512	32.1%
Eau Claire	4,033	2.1%	5,988,184	1,485	56,304,079	13,961	1,974,970	2.0%	490	33.0%
Florence	147	0.1%	187,733	1,277	1,753,090	11,926	68,640	0.1%	467	36.6%
Fond du Lac	3,053	1.6%	4,816,080	1,577	44,749,665	14,658	1,418,546	1.4%	465	29.5%
Forest	333	0.2%	409,425	1,230	4,313,726	12,954	146,998	0.1%	441	35.9%
Grant	1,454	0.8%	2,045,059	1,407	19,433,793	13,366	687,696	0.7%	473	33.6%
Green	1,229	0.6%	2,242,849	1,825	18,414,164	14,983	608,016	0.6%	495	27.1%
Green Lake	672	0.4%	1,102,367	1,640	9,772,388	14,542	346,980	0.4%	516	31.5%
Iowa	675	0.4%	1,137,636	1,685	9,467,935	14,027	343,842	0.3%	509	30.2%
Iron	289	0.2%	343,050	1,187	3,800,975	13,152	118,374	0.1%	410	34.5%
Jackson	654	0.3%	933,646	1,428	8,514,486	13,019	337,068	0.3%	515	36.1%
Jefferson	2,151	1.1%	4,066,668	1,891	32,708,626	15,206	1,016,394	1.0%	473	25.0%

TABLE 10 (Continued)
HOMESTEAD CREDIT BY COUNTY, FY16

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Income	Amount	% of Total	Credit	Relief
Juneau	966	0.5%	1,328,900	1,376	12,959,451	13,416	470,334	0.5%	487	35.4%
Kenosha	5,334	2.8%	10,119,161	1,897	76,980,295	14,432	2,845,158	2.9%	533	28.1%
Kewaunee	551	0.3%	814,386	1,478	7,998,265	14,516	251,454	0.3%	456	30.9%
La Crosse	4,200	2.2%	6,751,113	1,607	58,904,112	14,025	2,055,442	2.1%	489	30.4%
Lafayette	470	0.2%	772,776	1,644	6,455,788	13,736	238,874	0.2%	508	30.9%
Langlade	997	0.5%	1,182,351	1,186	13,038,890	13,078	447,954	0.5%	449	37.9%
Lincoln	1,037	0.5%	1,529,769	1,475	14,442,094	13,927	494,846	0.5%	477	32.3%
Manitowoc	2,880	1.5%	4,341,042	1,507	41,679,362	14,472	1,385,968	1.4%	481	31.9%
Marathon	4,505	2.4%	\$7,129,540	\$1,583	\$65,000,574	\$14,429	\$2,261,712	2.3%	442	38.2%
Marinette	1,399	0.7%	1,651,020	1,180	18,651,603	13,332	609,616	0.6%	520	31.8%
Marquette	663	0.3%	1,070,868	1,615	9,339,751	14,087	345,236	0.4%	422	27.1%
Menominee	18	0.0%	38,520	2,140	275,819	15,323	8,412	0.0%	565	33.3%
Milwaukee	47,160	24.6%	80,897,823	1,715	642,914,593	13,633	26,259,394	26.7%	496	32.7%
Monroe	1,481	0.8%	2,316,533	1,564	20,363,377	13,750	758,694	0.8%	505	34.6%
Oconto	1,163	0.6%	1,645,021	1,414	16,160,962	13,896	577,158	0.6%	474	33.0%
Oneida	1,416	0.7%	1,979,168	1,398	20,073,609	14,176	646,568	0.7%	497	30.4%
Outagamie	5,170	2.7%	8,416,575	1,628	75,878,442	14,677	2,539,548	2.6%	526	23.8%
Ozaukee	1,580	0.8%	3,313,859	2,097	24,393,916	15,439	795,560	0.8%	480	31.9%
Pepin	270	0.1%	420,820	1,559	3,906,051	14,467	125,622	0.1%	521	29.6%
Pierce	755	0.4%	1,368,500	1,813	10,766,683	14,261	373,342	0.4%	495	32.2%
Polk	1,359	0.7%	2,129,415	1,567	18,809,471	13,841	679,988	0.7%	500	34.2%
Portage	2,241	1.2%	3,255,748	1,453	31,103,519	13,879	1,102,186	1.1%	463	35.7%
Price	562	0.3%	752,864	1,340	7,459,589	13,273	271,602	0.3%	572	32.2%
Racine	7,016	3.7%	12,787,901	1,823	99,716,489	14,213	3,955,790	4.0%	503	35.9%
Richland	595	0.3%	837,690	1,408	8,077,131	13,575	286,390	0.3%	520	33.1%
Rock	6,182	3.2%	9,926,306	1,606	87,230,780	14,110	3,170,332	3.2%	456	36.6%
Rusk	575	0.3%	726,546	1,264	7,431,558	12,924	282,934	0.3%	509	28.2%
St. Croix	1,489	0.8%	2,715,178	1,823	21,525,996	14,457	766,500	0.8%	508	29.1%
Sauk	1,966	1.0%	3,384,234	1,721	28,667,937	14,582	975,760	1.0%	437	35.8%
Sawyer	458	0.2%	544,781	1,189	5,871,043	12,819	207,168	0.2%	484	34.5%
Shawano	1,466	0.8%	2,023,956	1,381	20,477,669	13,968	689,998	0.7%	478	30.5%
Sheboygan	3,567	1.9%	5,543,990	1,554	51,801,656	14,522	1,676,394	1.7%	544	33.7%
Taylor	653	0.3%	1,039,577	1,592	9,304,938	14,250	332,414	0.3%	539	31.7%
Trempealeau	904	0.5%	1,583,568	1,752	12,730,264	14,082	490,416	0.5%	518	33.1%
Vernon	1,197	0.6%	1,938,833	1,620	15,843,116	13,236	633,120	0.6%	459	33.4%
Vilas	762	0.4%	1,077,980	1,415	10,464,481	13,733	361,990	0.4%	552	27.1%
Walworth	2,565	1.3%	5,230,246	2,039	37,862,708	14,761	1,370,784	1.4%	475	36.1%
Washburn	572	0.3%	751,535	1,314	7,522,872	13,152	271,540	0.3%	507	26.9%
Washington	2,689	1.4%	5,055,496	1,880	41,013,755	15,252	1,324,594	1.3%	506	23.0%
Waukesha	6,821	3.6%	14,945,335	2,191	103,556,202	15,182	3,462,544	3.5%	493	32.0%
Waupaca	2,003	1.0%	3,074,005	1,535	28,356,660	14,157	979,056	1.0%	526	34.0%
Waushara	957	0.5%	1,441,067	1,506	13,423,055	14,026	476,454	0.5%	501	31.3%
Winnebago	5,560	2.9%	8,951,537	1,610	80,689,242	14,512	2,735,236	2.8%	475	34.0%
Wood	3,162	1.7%	4,424,686	1,399	45,276,063	14,319	1,449,936	1.5%	545	35.4%
Unknown	1,204	0.6%	1,833,874	1,523	15,281,291	12,692	629,236	0.6%	\$520	31.2%
Total	191,459	100.0%	\$321,492,176	\$1,679	\$2,699,708,700	\$14,101	\$98,405,320	100.0%	\$514	30.6%

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

TABLE 11
HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY16

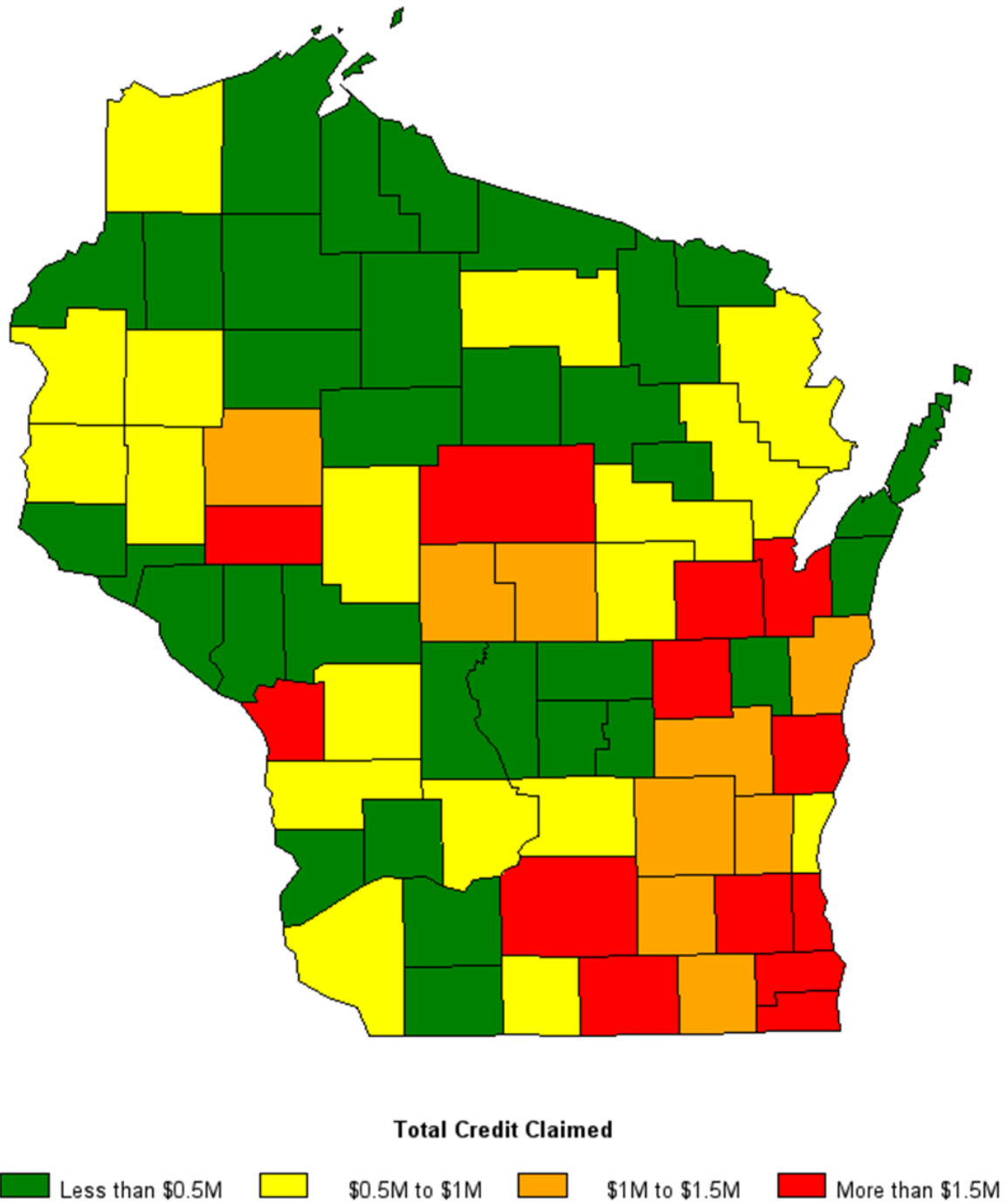
County	Total Returns	Homestead Returns	% of Returns with Homestead	2015 Population	Homestead Population	% of Pop. with Homestead
Adams	9,804	873	8.9%	20,844	1,236	5.9%
Ashland	7,654	671	8.8%	16,071	931	5.8%
Barron	23,632	2,044	8.6%	46,020	2,854	6.2%
Bayfield	7,679	521	6.8%	15,059	715	4.7%
Brown	127,910	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, FY16

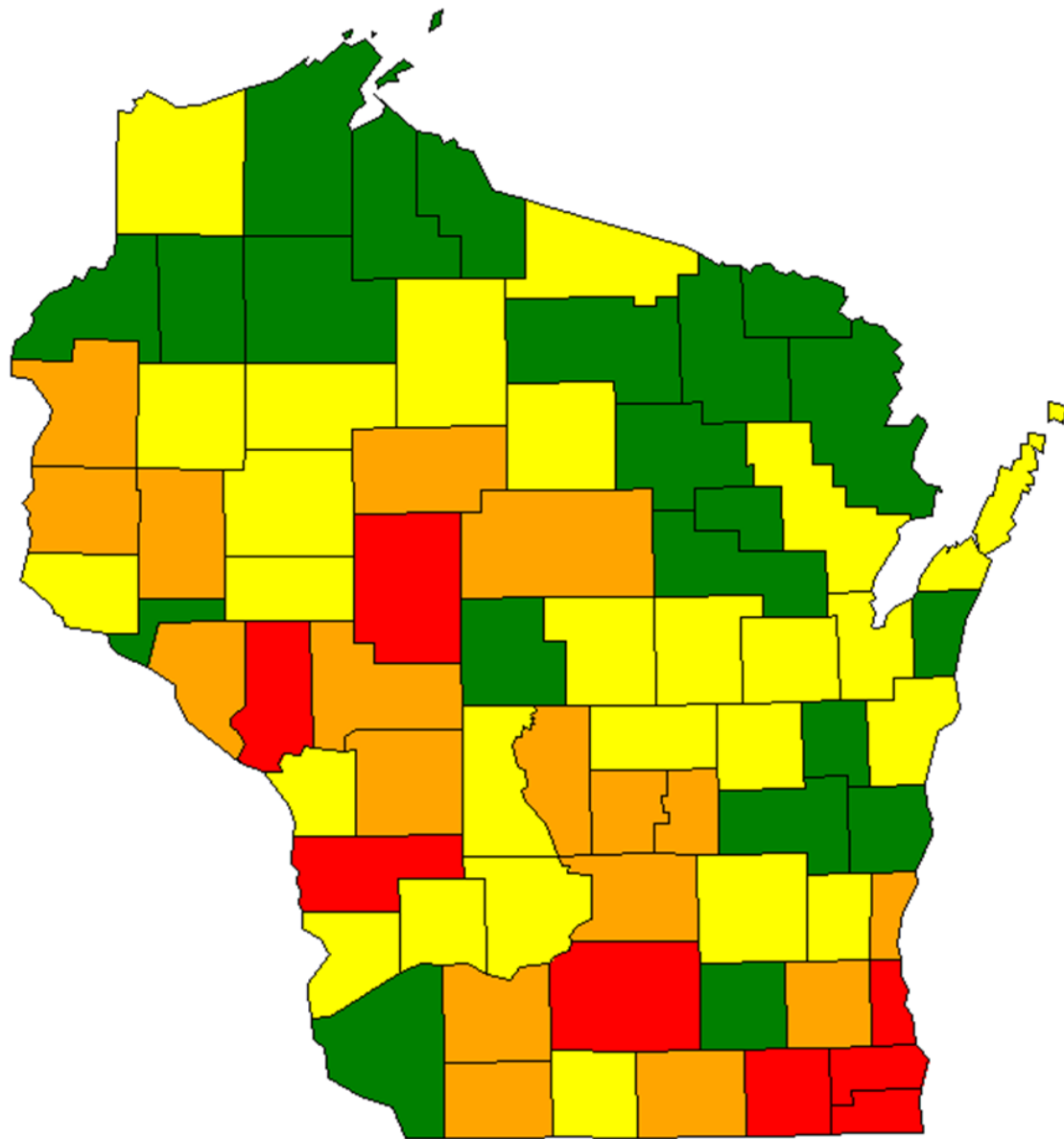
County	Total Returns	Homestead Returns	% of Returns with Homestead	2015 Population	Homestead Population	% of Pop. with Homestead
Outagamie	93,207	5,401	5.8%	180,022	7,623	4.2%
Ozaukee	44,441	1,751	3.9%	87,116	2,359	2.7%
Pepin	3,619	294	8.1%	7,445	437	5.9%
Pierce	18,705	821	4.4%	41,107	1,108	2.7%
Polk	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	3,092,215	191,459	6.2%	5,753,324	276,668	4.8%

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

MAP 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY16



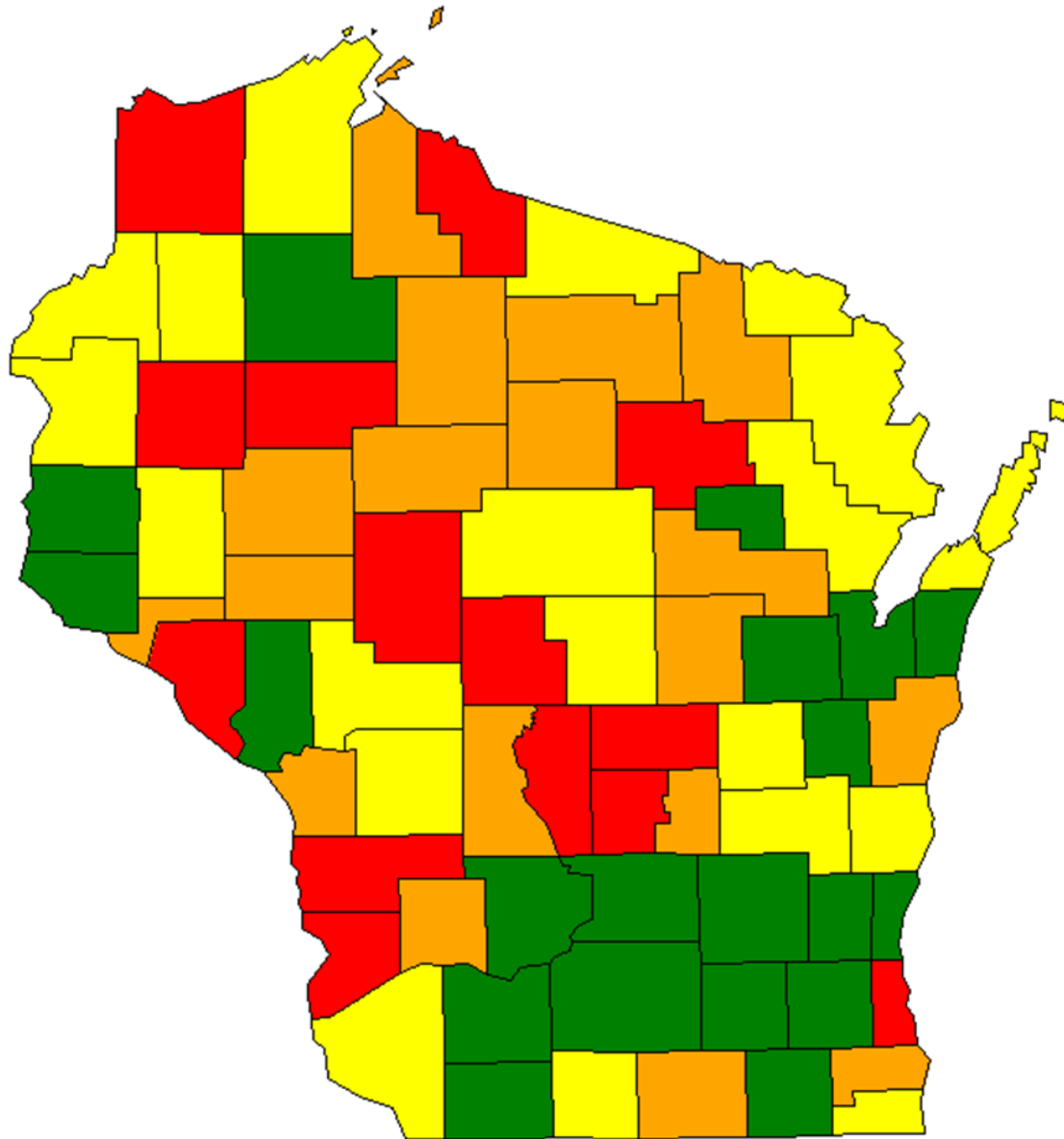
MAP 2
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY16



Average Credit Claimed

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

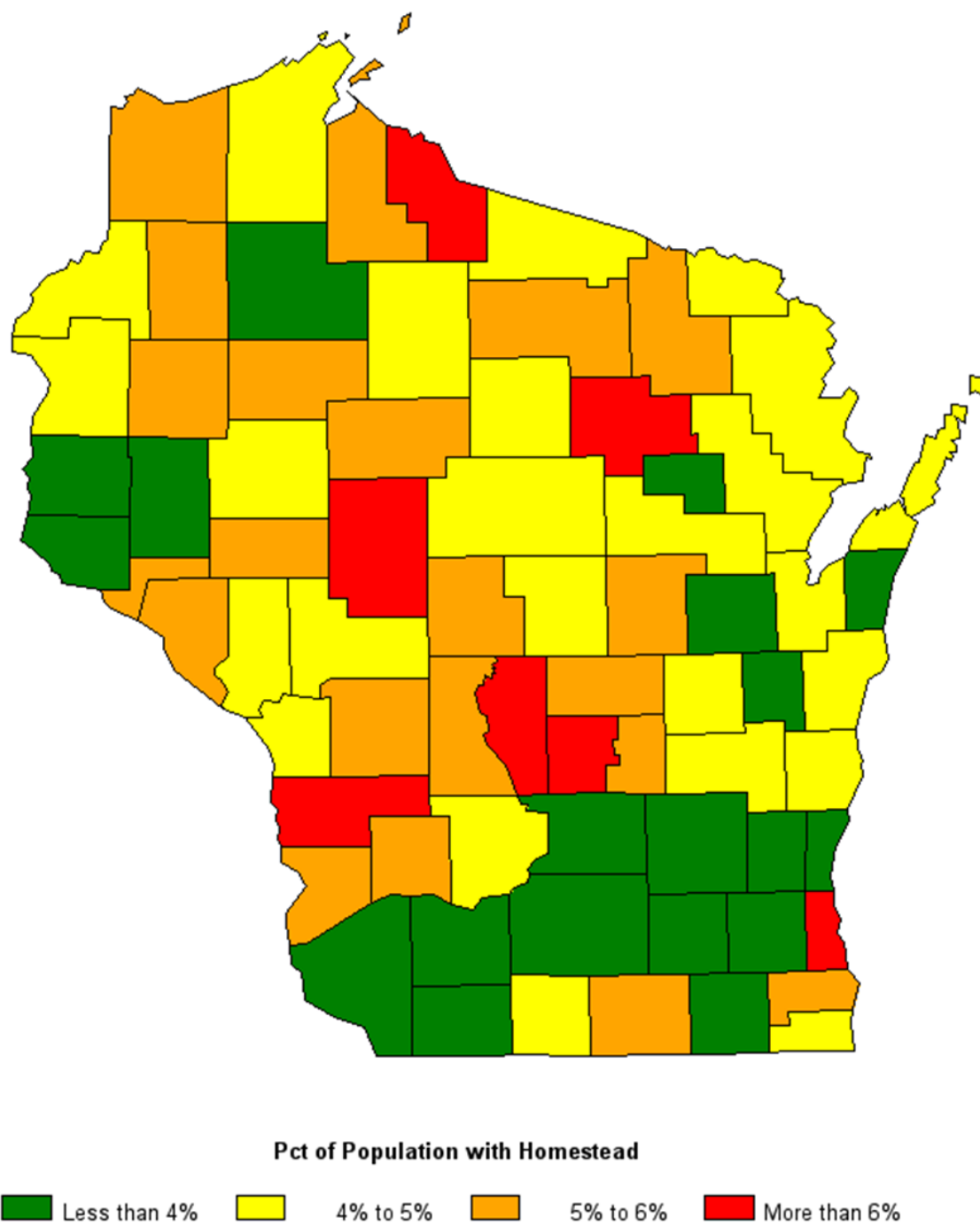
MAP 3
PERCENT OF RETURNS WITH HOMESTEAD CREDITS BY COUNTY, FY16



Pct of Returns with Homestead

Less than 6% 6% to 7% 7% to 8% More than 8%

MAP 4
PERCENT OF POPULATION WITH HOMESTEAD CREDITS BY COUNTY, FY16



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