

# THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2007

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## **THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY07**

### **A. INTRODUCTION**

The Homestead Tax Credit Program was established in June of 1964 to mitigate the impact of high real estate taxes on low-income households by providing direct property tax relief through a circuit-breaker mechanism.

The underlying principle of a circuit-breaker is that property taxes exceeding a certain percentage of income constitute an overload to the taxpayer and should be offset at least partially with state-funded assistance. Assistance in this case takes the form of a refundable credit that can be applied against state income taxes due or received as a cash rebate. Wisconsin pioneered this method of relating property taxes to income in determining the amount of relief.

A total of 233,070 Wisconsin tax filers claimed Homestead credits amounting to \$119.4 million in FY07. The average credit was \$512.

### **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 \$1,160 for those with household income of no more than \$8,000 and property taxes of \$1,450. The amount of the credit phases out as income surpasses \$8,000 and no credit is available for those with income over \$24,500. The \$24,500 income ceiling used in the Homestead formula has remained unchanged since 2001. The property tax ceiling of \$1,450 and income threshold for the maximum credit of \$8,000 have remained unchanged since 1991 and 1990, respectively.

#### **1. Eligibility Criteria**

The basic requirements for Homestead relief relate to age and income. To qualify for benefits on claims filed in 2007, for property taxes accrued in 2006, 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 \$24,500. 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 \$250 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, excluding 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; and
- not live in a nursing home or receive Title XIX medical assistance.

## 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 calendar year 2007 claims, the credit is available to households with income less than \$24,500. The maximum amount of property taxes recognized by the formula is \$1,450. 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.

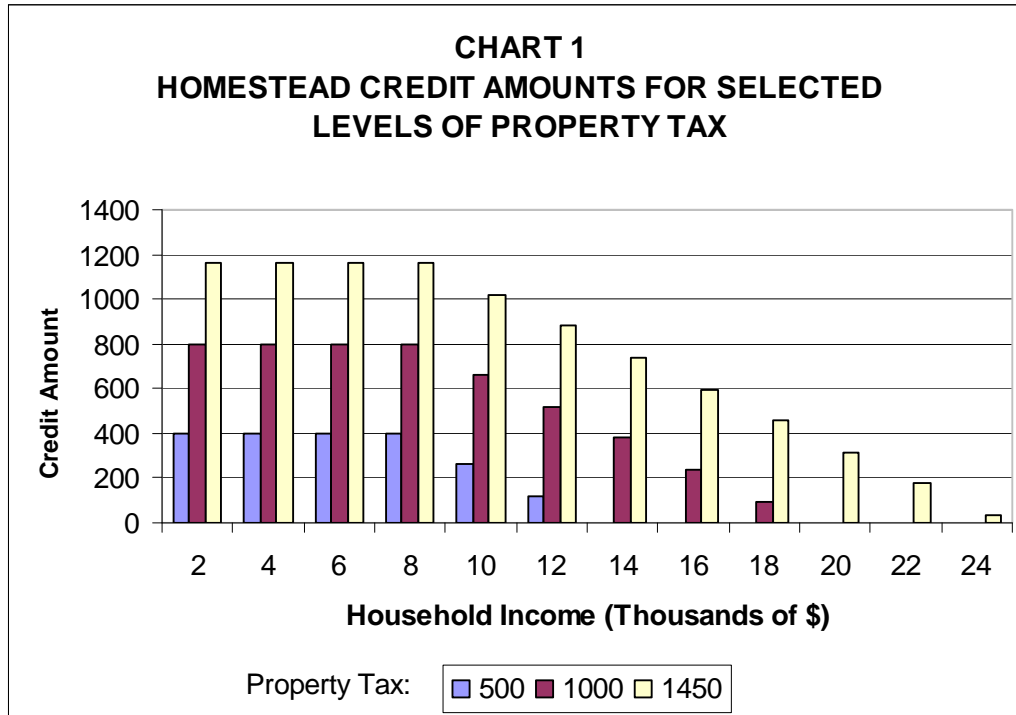
The parameters used to compute the actual credit allowed to a Homestead claimant are as follows:

- The property tax ceiling—the maximum amount of property taxes allowed to be claimed toward the credit—is \$1,450.
- The income threshold, the amount of household income at which Homestead benefits begin to phase out, is \$8,000. For persons with income equal to or below the threshold, the credit is 80% of the property tax paid (up to \$1,450).
- For persons with income above \$8,000, the credit is equal to 80% of the amount by which the reported property tax exceeds 8.788% of household income in excess of \$8,000. That is:

$$\text{credit} = .80 \times [\text{property tax} - .08788 \times (\text{household income} - \$8,000)].$$

- The maximum credit available is \$1,160 (i.e., 80% x \$1,450).

Chart 1 shows Homestead credit amounts for selected income and property tax levels.



## C. HISTORY

### 1. Enactment and Legal Challenges

When first enacted, 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. 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, Homestead grew quickly. 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.

FY80 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 FY80. FY05 was the year with the highest amount of credits paid, \$127.2 million to about 250,000 claimants. While the number of claims and the amount of credits have fluctuated, the average credit has grown more steadily, rising from \$60 in FY65 to \$512 in FY07.

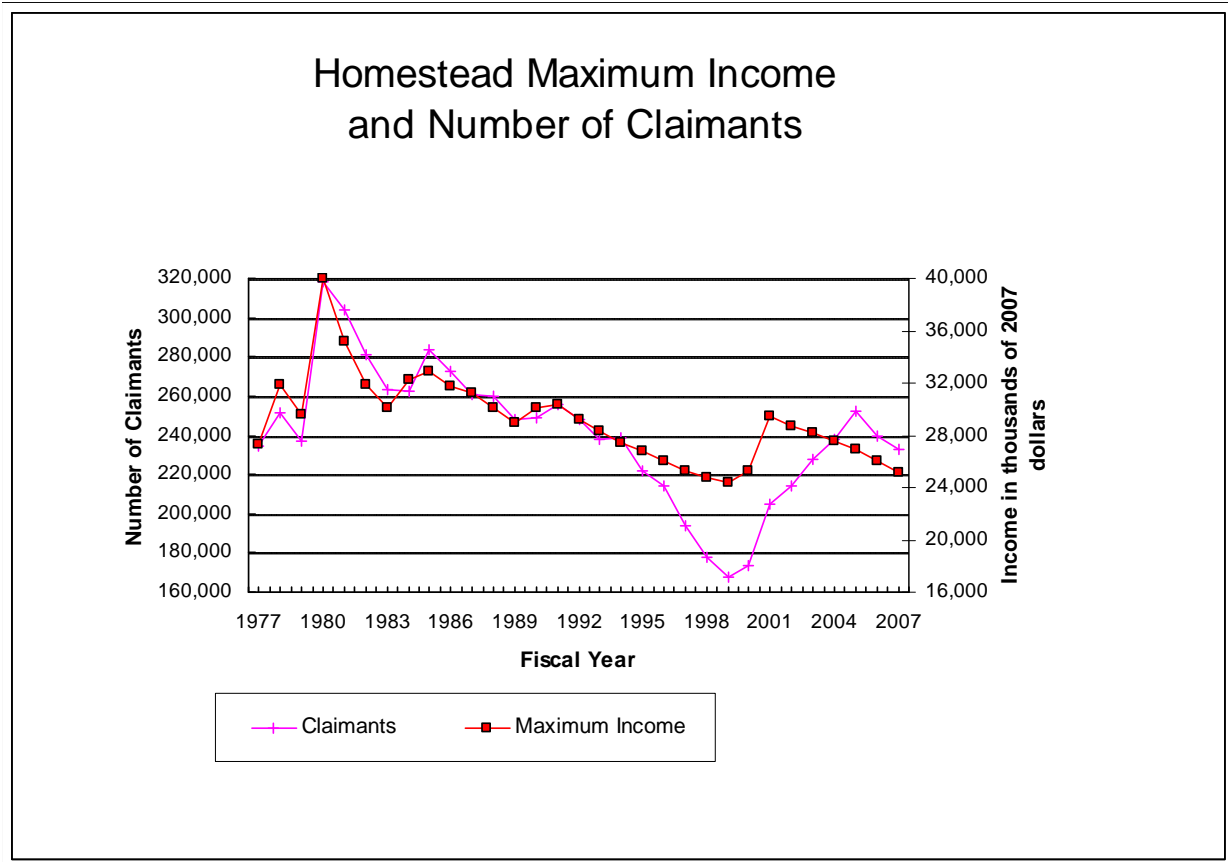
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

Major expansion occurred in FY67 (formula changes), FY74 (expansion of the program to include adults under 62 years of age), FY80 (formula changes) and FY01 (formula changes). From FY80 through FY99, the number of Homestead claimants generally declined, primarily because adjustments to the income ceiling did not keep up with the rate of inflation. From FY01 to FY05, the number of Homestead credit claimants increased by an average of 5% annually, but recent claims have not reached the peak of the early 1980s.

In 2005, a simplified, one page Homestead credit form, called Homestead-EZ, was introduced. About 25% of tax year 2005 claimants filed the EZ form. People who filed electronically or at VITA (Volunteer Income Tax Assistance) sites used the electronic extended forms even though they could have used the simplified form. If they had filed the EZ form, the usage of the EZ form would have been considerably greater.

Fiscal Year	Homestead funding		Claims allowed		Average relief	
	Amount (\$)	Percent Change	Number	Percent Change	Amount (\$)	Percent 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	-0.7%
2006	\$121,891,762	-4.2%	239,546	-5.0%	\$509	0.9%
2007	\$119,409,021	-2.0%	233,070	-2.7%	\$512	0.6%

The following chart shows the number of claimants compared with the maximum income for claiming the credit in 2007 dollars. As shown in the chart, the largest number of claimants occurred in 1980 when the real income ceiling was at its peak, at nearly \$40,000 in 2007 dollars.



### 3. Homestead Formula Parameters

Since FY74, the Homestead benefit formula has taken the form:

$$\text{Homestead credit} = .80 \times [\text{property taxes} - (\text{slope} \times (\text{income} - \text{income threshold}))]$$

In the formula, property taxes may not exceed the property tax ceiling set by statutes—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 slope times the amount by which their income exceeds the 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 slope. The maximum income and slope are specified in the statutes.

Table 2 shows the formula parameters over the life of the Homestead program.

**TABLE 2  
HOMESTEAD FORMULA PARAMETERS  
FY65 - FY07**

Fiscal Years	Minimum Age	Maximum Benefit (\$)	Maximum Income (\$)	Property Tax Ceiling (\$)	Relief Rate	Income Threshold (\$)	Maximum Acres
1965-66	65	\$ 225	\$ 3,000	\$ 300	75%	-	1
1967-69	65	225	3,500	300	75%	500	40
1970-71	65	248	3,700	330	75%	500	40
1972-73	62*	400	7,000	500	75%	1,000	40
1974-75	18	400	7,000	500	80%	3,500	80
1976-77	18	428	7,500	535	80%	3,750	120
1978-79	18	640	9,300	800	80%	4,000	120
1980-81	18	800	14,000	1,000	80%	5,000	120
1982-83	18	800	14,000	1,000	80%	6,000	120
1984	18	880	15,500	1,100	80%	7,000	120
1985-86	18	960	16,500	1,200	80%	7,400	120
1987-89	18	960	16,500	1,200	80%	7,600	120
1990	18	1080	18,000**	1,350	80%	8,000	120
1991-99	18	1160	19,154	1,450	80%	8,000	120
2000	18	1160	20,290	1,450	80%	8,000	120
2001-07	18	1160	24,500	1,450	80%	8,000	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.

In addition to these changes, the definition of "household income" has been modified over time to take more fully into account the income items that are deducted or excluded from adjusted gross income. For example, depreciation (which is subtracted from income to determine Wisconsin adjusted gross income for income tax purposes) has been added back to determine household income for Homestead purposes since 1982.

Similarly, other minor adjustments have been made to household income items such as contributions to individual retirement accounts (IRAs), Keogh and deferred compensation plans, nontaxable income of American Indians, the housing allowance received by the clergy, value of a resident manager's free or reduced rent, net operating loss carry-forwards, capital loss carry-forwards, and IRC section 179 expense deductions.

Beginning with claims filed in 1990, household income is reduced by \$250 for each dependent. This change was enacted to recognize the economic burdens faced by larger families.

#### **D. BENEFITS BY CHARACTERISTICS OF PARTICIPANTS**

Persons must meet age and certain other requirements to claim the credit. The amount of credit is determined by the claimant's household income and property tax burden. The following sections provide information about applicants by age, income, and housing status.

## 1. Age

The Homestead program originally was limited to elderly, low-income property taxpayers, and renters. In FY74, eligibility was extended to all adults who meet income parameters.

Table 3 shows the distribution of claimants by age in FY07, the average property tax (or property tax equivalent<sup>1</sup>), 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 34% of the claimants and 30% 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, FY07**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	5,699	2.4%	\$ 7,907,232	\$ 1,387	\$ 69,829,004	\$ 12,253	\$ 3,017,287	2.5%	\$ 529	38.2%
18-25	22,556	9.7%	24,424,240	1,083	258,659,688	11,467	11,008,476	9.2%	488	45.1%
26-35	29,225	12.5%	41,910,634	1,434	362,889,560	12,417	16,058,510	13.4%	549	38.3%
36-45	30,578	13.1%	48,530,500	1,587	366,122,066	11,973	17,379,468	14.6%	568	35.8%
46-55	36,360	15.6%	56,853,516	1,564	422,564,958	11,622	20,560,370	17.2%	565	36.2%
56-60	16,138	6.9%	26,841,555	1,663	189,393,769	11,736	8,938,602	7.5%	554	33.3%
61-62	5,516	2.4%	9,349,177	1,695	68,796,608	12,472	2,909,860	2.4%	528	31.1%
63-65	8,183	3.5%	13,085,545	1,599	110,686,348	13,526	3,928,598	3.3%	480	30.0%
66 and older	78,815	33.8%	137,654,639	1,747	1,193,784,516	15,147	35,607,850	29.8%	452	25.9%
Total	233,070	100.0%	\$ 366,557,037	\$ 1,573	\$ 3,042,726,517	\$ 13,055	\$ 119,409,021	100.0%	\$ 512	32.6%

## 2. Income

Homestead provides relief to low-income households. The average household income of all Homestead claimants in FY07 was \$13,055. The average income of renters was somewhat lower at \$12,048 while the average income of homeowners was higher at \$14,315. The following table shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$952 for the lowest income group to \$304 for the highest income group.

**TABLE 4  
HOMESTEAD BENEFITS BY INCOME CLASS, FY07**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	4,357	1.9%	\$ 9,500,258	\$ 2,180	\$ 4,148,499	3.5%	\$ 952	43.7%
\$0 to \$2,500	4,996	2.1%	6,774,310	1,356	3,987,172	3.3%	798	58.9%
\$2,500 to \$8,000	30,499	13.1%	34,992,415	1,147	22,864,254	19.1%	750	65.3%
\$8,000 to \$15,000	101,256	43.4%	131,455,182	1,298	60,448,094	50.6%	597	46.0%
\$15,000 to \$24,500	91,962	39.5%	183,834,873	1,999	27,961,002	23.4%	304	15.2%
Total	233,070	100.0%	\$ 366,557,037	\$ 1,573	\$ 119,409,021	100.0%	\$ 512	32.6%

<sup>1</sup> For renters, 25% of rent is considered to be property taxes if the rent payment does not include heat, 20% of rent is considered to be property taxes if rent includes heat.

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

### **3. Income Sources**

Homestead claimants receive income from a variety of sources. Social security is the most important income source, which is consistent with the large number of Homestead claimants who are elderly. Wages and salaries are the second most important source of income, although the average amounts suggest that these earnings are from low-wage jobs, part-time employment or both.

Table 5 details the sources of income for Homestead claimants. The information in the table is derived from the 2005 Individual Income Tax Model using a stratified sample of 22,280 income tax and Homestead credit returns filed for tax year 2005 weighted to represent the population of tax filers and Homestead claimants. More recent data are not yet available.

Over two thirds (69%) 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 \$129. Since the Homestead credit averages about \$500, the vast majority of Homestead claimants receive a refund check.

**TABLE 5  
SOURCES OF HOUSEHOLD INCOME FOR HOMESTEAD FILERS, 2005**

	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. (\$)
<b>TAXABLE SOURCES</b>									
Wages	\$1,104,842,633	49.1%	98,947	N/A	N/A	N/A	N/A	N/A	N/A
Interest and Dividends	99,718,024	4.4%	74,515	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	1,204,560,657	53.6%	143,020	\$ 46,646,196	5.5%	30,192	\$1,251,206,853	40.4%	\$ 7,224
Farm Income	-17,370,886	-0.8%	4,572	N/A	N/A	N/A	-17,370,886	-0.6%	-3,799
Business Income	55,932,332	2.5%	22,898	N/A	N/A	N/A	55,932,332	1.8%	2,443
Other Taxable	73,661,959	3.3%	91,766	7,746,246	0.9%	4,218	81,408,205	2.6%	848
Total Taxable	1,316,784,062	58.5%	156,146	54,392,442	6.4%	32,412	1,371,176,504	44.3%	7,272
<b>NONTAXABLE SOURCES</b>									
Social Security	658,874,008	29.3%	60,723	728,828,220	85.9%	68,709	1,387,702,228	44.8%	10,721
Rail Road Retirement	25,568,739	1.1%	999	3,192,804	0.4%	1,110	28,761,543	0.9%	13,638
Unemployment Comp.	31,007,393	1.4%	12,990	0	0.0%	0	31,007,393	1.0%	2,387
Pensions	51,487,895	2.3%	9,548	56,648,850	6.7%	16,872	108,136,745	3.5%	4,093
Public Assistance	1,327,671	0.1%	1,110	89,022	0.0%	222	1,416,693	0.0%	1,064
Other Nontaxable	184,036,643	8.2%	59,225	6,899,316	0.8%	3,108	190,935,959	6.2%	3,063
Total Nontaxable	952,302,349	42.3%	109,842	795,658,212	93.7%	69,819	1,747,960,561	56.4%	9,729
<b>DEPENDENT DEDUCTION</b>									
	20,067,750	0.9%	44,075	1,165,500	0.1%	2,442	21,233,250	0.7%	456
<b>TOTAL INCOME</b>	<b>\$2,249,018,661</b>	<b>100.0%</b>	<b>159,365</b>	<b>\$848,885,154</b>	<b>100.0%</b>	<b>70,485</b>	<b>\$3,097,903,815</b>	<b>100.0%</b>	<b>\$ 13,478</b>

Source: 2005 Wisconsin Individual Income Tax Model.

#### 4. Dependents

Beginning with claims filed in 1990, the Homestead formula reduces household income by \$250 for each dependent in a household. For households with income in excess of \$8,000, this provision increases the credit by about \$18 per dependent. Homestead claimants reported a total of 84,697 dependents in FY07. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6  
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY07

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	497	0.9%	1,961	6.4%	2,458	2.9%
\$0 to \$2,500	1,351	2.5%	756	2.5%	2,107	2.5%
\$2,500 to \$8,000	8,756	16.2%	3,206	10.4%	11,962	14.1%
\$8,000 to \$15,000	22,899	42.5%	8,958	29.1%	31,857	37.6%
\$15,000 to \$24,500	20,406	37.9%	15,907	51.7%	36,313	42.9%
Total	53,909	100%	30,788	100%	84,697	100%

TABLE 7  
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY07

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	1,599	3.0%	439	1.4%	2,038	2.4%
18-25	9,871	18.3%	739	2.4%	10,610	12.5%
26-35	20,700	38.4%	6,552	21.3%	27,252	32.2%
36-45	14,160	26.3%	12,032	39.1%	26,192	30.9%
46-55	6,106	11.3%	8,331	27.1%	14,437	17.0%
56-60	846	1.6%	1,424	4.6%	2,270	2.7%
61-62	157	0.3%	308	1.0%	465	0.5%
63-65	200	0.4%	311	1.0%	511	0.6%
66 and older	270	0.5%	652	2.1%	922	1.1%
Total	53,909	100.0%	30,788	100.0%	84,697	100.0%

#### 5. Housing Status

Homeowners received \$54.2 million (or 45%) of the total \$119.4 million in credits in FY07 and renters received \$65.2 million (or 55%). Homeowners accounted for 43% of the number of claims and renters the remaining 57% of claims. As a result, the average credit for homeowners was \$544, compared with an average of \$489 for renters. Tables 8 and 9 show the distribution of benefits between homeowners and renters by housing status, income class, and age group.

As shown in Table 8, at income levels between \$0 and \$15,000, total benefits paid to renters are 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. At higher income levels, most of the benefits are paid to homeowners. Similarly, Table 9 shows that renters received greater total benefits than owners in younger age groups, again, because the number of claims by renters in the younger age groups exceeds the claims by owners in those age groups and the average benefits are larger for owners.

TABLE 8  
HOMESTEAD CREDIT BY INCOME CLASS AND PROPERTY OWNERSHIP, FY07

Renters									
Household Income	Claimants		Property Tax		Credit				
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief	
Less than \$0	1,682	1.3%	\$ 1,898,902	\$ 1,129	\$ 1,345,637	2.1%	\$ 800	70.9%	
\$0 to \$2,500	3,112	2.3%	2,948,936	948	2,171,504	3.3%	698	73.6%	
\$2,500 to \$8,000	22,393	16.8%	20,086,161	897	15,144,178	23.2%	676	75.4%	
\$8,000 to \$15,000	67,249	50.4%	66,614,080	991	35,289,964	54.1%	525	53.0%	
\$15,000 to \$24,500	38,925	29.2%	58,887,172	1,513	11,251,594	17.3%	289	19.1%	
Total	133,361	100.0%	\$ 150,435,251	\$ 1,128	\$ 65,202,877	100.0%	\$ 489	43.3%	

Owners									
Household Income	Claimants		Property Tax		Credit				
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief	
Less than \$0	2,675	2.7%	\$ 7,601,356	\$ 2,842	\$ 2,802,862	5.2%	\$ 1,048	36.9%	
\$0 to \$2,500	1,884	1.9%	3,825,374	2,030	1,815,668	3.3%	964	47.5%	
\$2,500 to \$8,000	8,106	8.1%	14,906,254	1,839	7,720,076	14.2%	952	51.8%	
\$8,000 to \$15,000	34,007	34.1%	64,841,102	1,907	25,158,130	46.4%	740	38.8%	
\$15,000 to \$24,500	53,037	53.2%	124,947,701	2,356	16,709,408	30.8%	315	13.4%	
Total	99,709	100.0%	\$ 216,121,786	\$ 2,168	\$ 54,206,144	100.0%	\$ 544	25.1%	

TABLE 9  
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY07

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	3,916	2.9%	\$ 4,233,178	\$ 1,081	\$ 44,487,813	\$ 11,361	\$ 2,000,667	3.1%	\$ 511	47.3%
18-25	21,095	15.8%	21,705,935	1,029	237,428,433	11,255	10,256,008	15.7%	486	47.2%
26-35	23,741	17.8%	29,856,903	1,258	288,923,672	12,170	12,956,882	19.9%	546	43.4%
36-45	20,025	15.0%	24,434,739	1,220	234,683,091	11,720	11,100,220	17.0%	554	45.4%
46-55	20,564	15.4%	22,880,731	1,113	233,562,441	11,358	10,882,554	16.7%	529	47.6%
56-60	7,940	6.0%	8,328,943	1,049	90,316,256	11,375	3,946,298	6.1%	497	47.4%
61-62	2,602	2.0%	2,599,512	999	29,482,399	11,331	1,230,866	1.9%	473	47.3%
63-65	3,872	2.9%	3,924,110	1,013	46,710,558	12,064	1,713,124	2.6%	442	43.7%
66 and older	29,606	22.2%	32,471,201	1,097	402,565,215	13,597	11,116,258	17.0%	375	34.2%
Total	133,361	100.0%	\$ 150,435,251	\$ 1,128	\$ 1,608,159,878	\$ 12,059	\$ 65,202,877	100.0%	\$ 489	43.3%

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	1,783	1.8%	\$ 3,674,054	\$ 2,061	\$ 25,341,191	\$ 14,213	\$ 1,016,620	1.9%	\$ 570	27.7%
18-25	1,461	1.5%	2,718,305	1,861	21,231,255	14,532	752,468	1.4%	515	27.7%
26-35	5,484	5.5%	12,053,731	2,198	73,965,888	13,488	3,101,628	5.7%	566	25.7%
36-45	10,553	10.6%	24,095,761	2,283	131,438,975	12,455	6,279,248	11.6%	595	26.1%
46-55	15,796	15.8%	33,972,785	2,151	189,002,517	11,965	9,677,816	17.9%	613	28.5%
56-60	8,198	8.2%	18,512,612	2,258	99,077,513	12,086	4,992,304	9.2%	609	27.0%
61-62	2,914	2.9%	6,749,665	2,316	39,314,209	13,491	1,678,994	3.1%	576	24.9%
63-65	4,311	4.3%	9,161,435	2,125	63,975,790	14,840	2,215,474	4.1%	514	24.2%
66 and older	49,209	49.4%	105,183,438	2,137	791,219,301	16,079	24,491,592	45.2%	498	23.3%
Total	99,709	100.0%	\$ 216,121,786	\$ 2,168	\$ 1,434,566,639	\$ 14,388	\$ 54,206,144	100.0%	\$ 544	25.1%

## **6. Geographic Distribution by County**

Table 10 shows the distribution of Homestead claimants by household income, property tax and average benefits across counties. Graph 1 shows the distribution of total Homestead credit amounts by county. Graph 2 shows the distribution of average Homestead credit amounts by county. A number of counties in the northern part of the state receive a small amount of credit compared to counties elsewhere in the state. The counties with the largest amount of claims are Milwaukee and Dane.

TABLE 10  
HOMESTEAD CREDIT BY COUNTY, FY07

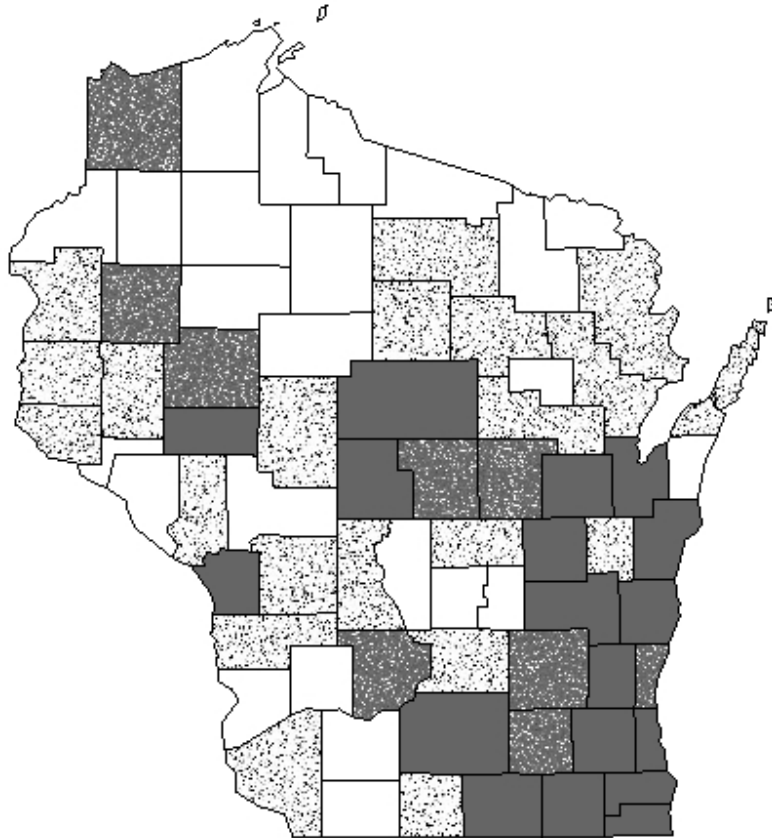
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	944	0.4%	\$ 1,196,373	\$ 1,267	\$ 11,848,835	\$ 12,217	\$ 452,026	0.4%	\$ 479	37.8%
Ashland	865	0.4%	933,512	1,079	10,371,647	12,097	365,320	0.3%	422	39.1%
Barron	2,431	1.0%	3,209,257	1,320	30,416,943	12,713	1,171,668	1.0%	482	36.5%
Bayfield	680	0.3%	783,184	1,152	7,953,929	12,073	315,438	0.3%	464	40.3%
Brown	9,054	3.9%	13,816,233	1,526	120,520,361	12,954	4,392,750	3.7%	485	31.8%
Buffalo	645	0.3%	867,971	1,346	8,279,802	12,267	327,108	0.3%	507	37.7%
Burnett	734	0.3%	930,155	1,267	8,713,268	11,589	364,102	0.3%	496	39.1%
Calumet	1,265	0.5%	1,997,263	1,579	17,915,573	14,457	587,454	0.5%	464	29.4%
Chippewa	2,803	1.2%	3,570,729	1,274	34,313,163	12,792	1,358,886	1.1%	485	38.1%
Clark	1,804	0.8%	2,374,910	1,316	22,216,404	12,589	912,250	0.8%	506	38.4%
Columbia	1,876	0.8%	3,115,577	1,661	24,406,163	13,524	960,212	0.8%	512	30.8%
Crawford	889	0.4%	1,213,312	1,365	11,309,751	12,239	428,810	0.4%	482	35.3%
Dane	16,057	6.9%	28,375,290	1,767	206,409,254	13,137	8,429,804	7.1%	525	29.7%
Dodge	2,881	1.2%	4,875,445	1,692	41,102,910	14,512	1,432,868	1.2%	497	29.4%
Door	1,178	0.5%	1,818,217	1,543	15,649,495	13,523	586,296	0.5%	498	32.2%
Douglas	2,149	0.9%	2,560,706	1,192	26,254,605	12,240	1,030,028	0.9%	479	40.2%
Dunn	1,533	0.7%	2,360,210	1,540	19,595,194	12,814	764,640	0.6%	499	32.4%
Eau Claire	4,629	2.0%	6,036,609	1,304	59,415,224	12,504	2,249,814	1.9%	486	37.3%
Florence	261	0.1%	296,551	1,136	3,071,982	11,568	110,916	0.1%	425	37.4%
Fond du Lac	3,693	1.6%	5,470,697	1,481	51,180,177	13,914	1,714,670	1.4%	464	31.3%
Forest	453	0.2%	528,601	1,167	5,696,079	12,454	185,878	0.2%	410	35.2%
Grant	2,009	0.9%	2,536,695	1,263	24,611,556	11,053	940,952	0.8%	468	37.1%
Green	1,431	0.6%	2,364,354	1,652	19,651,331	13,713	697,906	0.6%	488	29.5%
Green Lake	920	0.4%	1,355,516	1,473	12,460,007	13,516	448,604	0.4%	488	33.1%
Iowa	841	0.4%	1,318,182	1,567	11,118,227	13,312	426,624	0.4%	507	32.4%
Iron	400	0.2%	408,023	1,020	4,744,169	11,930	162,342	0.1%	406	39.8%
Jackson	870	0.4%	1,096,988	1,261	10,882,302	12,247	415,304	0.3%	477	37.9%
Jefferson	2,596	1.1%	4,438,957	1,710	36,776,905	14,343	1,266,144	1.1%	488	28.5%
Juneau	1,301	0.6%	1,895,263	1,457	16,081,754	12,752	619,632	0.5%	476	32.7%
Kenosha	6,022	2.6%	10,937,053	1,816	81,469,996	13,636	3,261,670	2.7%	542	29.8%
Kewaunee	705	0.3%	1,087,075	1,542	9,724,288	13,984	341,886	0.3%	485	31.5%
La Crosse	5,240	2.2%	7,690,351	1,468	68,480,816	13,144	2,475,054	2.1%	472	32.2%
Lafayette	623	0.3%	838,585	1,346	7,723,399	11,902	311,776	0.3%	500	37.2%
Langlade	1,269	0.5%	1,468,303	1,157	15,731,229	12,229	575,192	0.5%	453	39.2%
Lincoln	1,289	0.6%	1,596,501	1,239	16,538,517	12,790	606,916	0.5%	471	38.0%
Manitowoc	3,774	1.6%	5,229,562	1,386	52,439,153	13,724	1,732,224	1.5%	459	33.1%

TABLE 10 (Continued)  
 HOMESTEAD CREDIT BY COUNTY, FY07

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,236	2%	\$ 7,753,705	\$ 1,481	\$ 69,883,344	\$ 13,674	\$ 2,630,314	2%	\$ 502	33.9%
Marinette	1,971	1%	2,116,822	1,074	23,822,968	11,945	850,938	1%	432	40.2%
Marquette	857	0%	1,224,350	1,429	11,238,764	13,317	433,030	0%	505	35.4%
Menominee	31	0%	64,717	2,088	444,791	13,911	12,104	0%	390	18.7%
Milwaukee	57,143	25%	93,678,853	1,639	719,967,313	12,645	32,600,211	27%	571	34.8%
Monroe	1,775	1%	2,415,757	1,361	22,334,522	13,045	887,710	1%	500	36.7%
Oconto	1,635	1%	2,274,409	1,391	20,574,629	12,704	810,638	1%	496	35.6%
Oneida	1,749	1%	2,493,982	1,426	23,064,141	13,502	810,806	1%	464	32.5%
Outagamie	5,982	3%	9,550,202	1,596	83,313,387	13,946	2,867,776	2%	479	30.0%
Ozaukee	2,028	1%	4,420,257	2,180	28,824,194	14,353	1,013,058	1%	500	22.9%
Pepin	390	0%	583,016	1,495	5,178,687	13,314	192,742	0%	494	33.1%
Pierce	978	0%	1,643,308	1,680	12,659,806	12,825	526,642	0%	538	32.0%
Polk	1,757	1%	2,663,447	1,516	23,327,914	12,966	865,038	1%	492	32.5%
Portage	2,690	1%	3,689,343	1,372	34,670,793	12,847	1,344,738	1%	500	36.4%
Price	758	0%	891,021	1,175	9,416,282	11,717	370,034	0%	488	41.5%
Racine	7,902	3%	13,730,849	1,738	107,419,156	13,545	4,333,362	4%	548	31.6%
Richland	822	0%	1,052,739	1,281	10,232,988	12,498	389,428	0%	474	37.0%
Rock	6,925	3%	10,020,776	1,447	91,808,034	13,234	3,501,780	3%	506	34.9%
Rusk	812	0%	888,967	1,095	9,305,832	12,111	375,428	0%	462	42.2%
St. Croix	1,757	1%	3,108,123	1,769	22,820,180	13,345	903,824	1%	514	29.1%
Sauk	2,374	1%	3,815,305	1,607	31,027,982	12,763	1,183,522	1%	499	31.0%
Sawyer	706	0%	847,193	1,200	8,286,691	11,756	321,918	0%	456	38.0%
Shawano	1,936	1%	2,532,544	1,308	25,145,321	13,001	900,842	1%	465	35.6%
Sheboygan	4,436	2%	7,162,109	1,615	61,313,591	13,777	2,077,966	2%	468	29.0%
Taylor	984	0%	1,275,327	1,296	12,397,315	10,227	481,788	0%	490	37.8%
Trempealeau	1,243	1%	1,809,717	1,456	16,188,795	12,816	647,456	1%	521	35.8%
Vernon	1,664	1%	2,259,926	1,358	20,085,080	12,040	852,432	1%	512	37.7%
Vilas	994	0%	1,348,800	1,357	12,945,850	13,263	468,848	0%	472	34.8%
Walworth	3,064	1%	5,767,089	1,882	40,584,627	13,769	1,670,602	1%	545	29.0%
Washburn	969	0%	1,211,329	1,250	11,883,749	12,050	460,966	0%	476	38.1%
Washington	3,334	1%	6,278,245	1,883	48,543,988	14,743	1,588,386	1%	476	25.3%
Waukesha	8,192	4%	18,041,636	2,202	114,649,668	14,671	4,005,524	3%	489	22.2%
Waupaca	2,524	1%	3,580,541	1,419	32,779,891	13,363	1,235,810	1%	490	34.5%
Waushara	1,170	1%	1,693,297	1,447	15,483,524	13,212	563,526	0%	482	33.3%
Winnebago	6,577	3%	9,649,448	1,467	88,458,150	13,253	3,200,736	3%	487	33.2%
Wood	3,556	2%	4,361,943	1,227	47,202,097	13,188	1,584,562	1%	446	36.3%
Unknown	35	0%	65,739	1,878	368,065	11,541	21,372	0%	611	32.5%
<b>Total</b>	<b>233,070</b>	<b>100.0%</b>	<b>\$ 366,557,037</b>	<b>\$ 1,573</b>	<b>\$ 3,042,726,517</b>	<b>\$ 13,113</b>	<b>\$ 119,409,021</b>	<b>100.0%</b>	<b>\$ 512</b>	<b>32.6%</b>

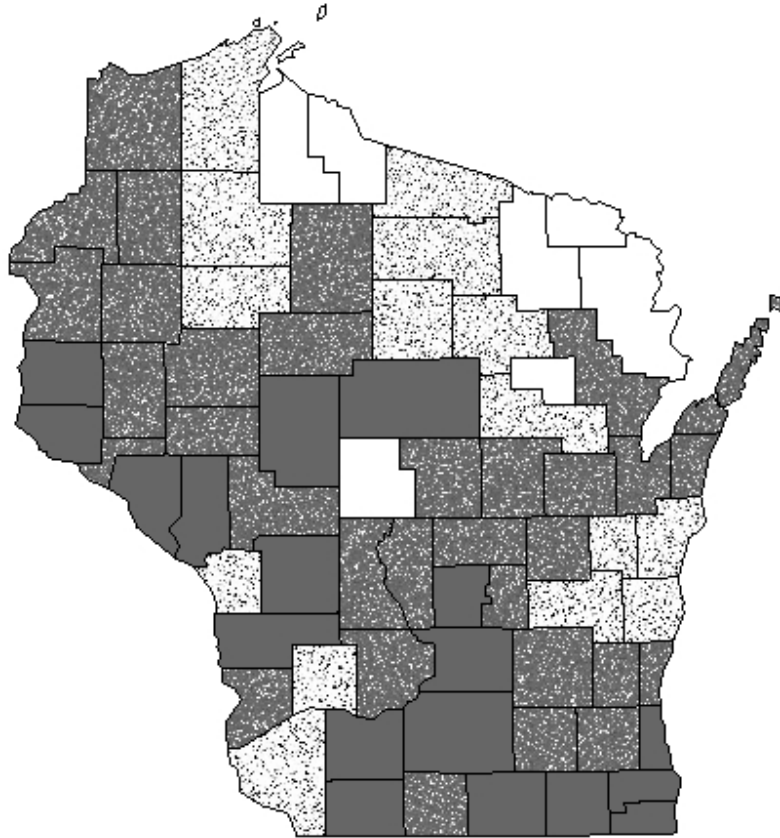
Note: Detail may not sum to total due to rounding.

GRAPH 1  
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY07



**Total Credit Claimed**  Less than \$0.5M  \$0.5M to \$1M  \$1M to \$1.5M  More than \$1.5M

GRAPH 2  
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY07



**Average Credit Claimed**  Less than \$450  \$450 to \$475  \$475 to \$500  More than \$500

