

THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY 2008

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THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY08

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 236,193 Wisconsin tax filers claimed Homestead credits amounting to \$122.0 million in FY08. The average credit was \$517.

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 2008, for property taxes accrued in 2007, 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;
- not live in a nursing home or receive Title XIX medical assistance; and
- not received 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 tax year 2008 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.

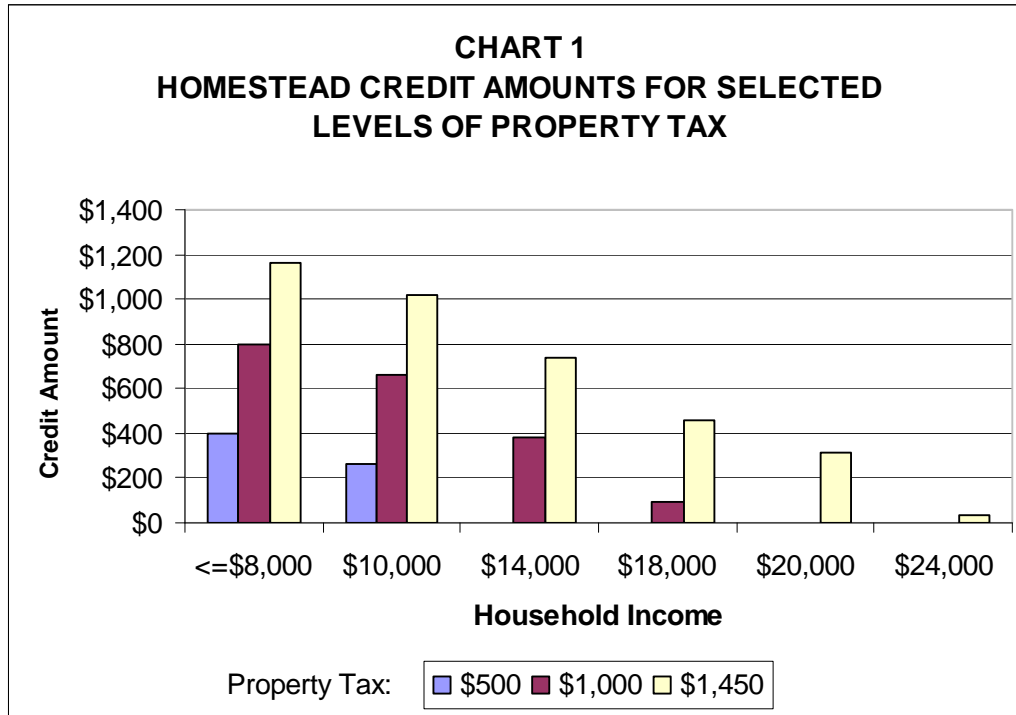
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2008 or \$1,450, the maximum property tax allowed.
- 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:

$$\text{Credit} = .80 \times [\text{minimum}(\text{claimant's property tax, } \$1,450) - .08788 \times (\text{household income} - \$8,000)].$$

- 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 in 1964, the Homestead program provided relief to low-income homeowners or renters aged 65 or older with household incomes of \$3,000 or less. The early Homestead credit faced legal challenges on the grounds that it violated the uniformity clause of the State Constitution, which requires that property taxes—including property tax relief—be uniform across all classes of property. However, in 1966, the Wisconsin Supreme Court ruled in *Harvey v. Morgan* that the Homestead program was essentially a welfare program rather than property tax relief. The Court's determination was based on the following:

- a. The statutory language creating the program explicitly stated that Homestead was a relief program;
- b. The relief is available to both renters and homeowners;
- c. The credit is tied to the characteristics of the individual (e.g., age, income, cost of shelter), not to the characteristics of the property;
- d. Property owners receiving the relief pay their property tax bill in full, but receive a credit against their income taxes from the state's general fund; and
- e. The administration of the law is tied to the income tax system rather than to the property tax system.

2. Growth in Claims and Credits

Initially a small program, providing \$1.8 million in payments to 30,715 claimants, the Homestead credit program quickly grew in both the number of claimants and total credits. Table 1 shows that growth in Homestead expenditures has been uneven, the result of occasional changes in credit parameters that increase the number and amount of credits, followed by periods of declining claims and credits as inflation erodes the value of the income ceiling.

Fiscal Year (FY) 1980 remains the year with the highest number of claimants in the history of the program. As shown in the table, \$92.6 million in credits was provided to 318,000 claimants in FY1980. Fiscal Year 2005 saw 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 FY1965 to \$517 in FY2008.

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

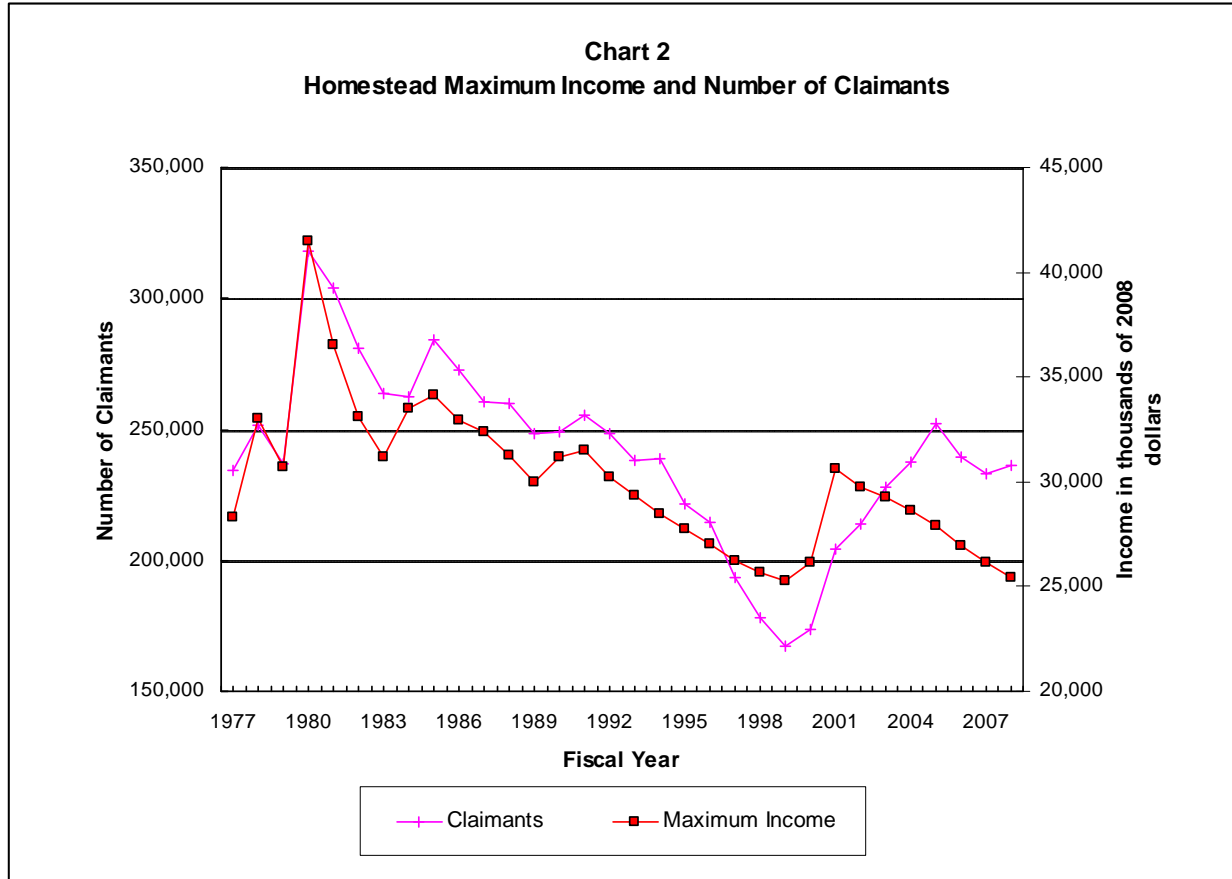
Major expansion occurred in FY1967 (formula changes), FY1974 (expansion of the program to include adults under 62 years of age), FY1980 (formula changes) and FY2001 (formula changes). From FY1980 through FY1999, the number of Homestead claimants generally declined, primarily because adjustments to the income ceiling did not keep up with the rate of inflation. From FY2001 to FY2008, the number of Homestead credit claimants increased by an average of 2% 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.

TABLE 1
WISCONSIN HOMESTEAD TAX CREDITS
FY65 - FY08

Fiscal Year	Homestead Funding		Claims		Average Credit	
	Amount	% Change	Count	% Change	Amount	% Change
1965	\$1,829,400	-	30,715		\$60	
1966	2,090,100	14.3%	33,046	7.6%	63	6.2%
1967	4,201,900	101.0%	58,716	77.7%	72	13.1%
1968	6,141,800	46.2%	66,786	13.7%	92	28.5%
1969	6,129,200	-0.2%	67,401	0.9%	91	-1.1%
1970	7,223,600	17.9%	73,680	9.3%	98	7.8%
1971	6,739,800	-6.7%	70,704	-4.0%	95	-2.8%
1972	10,025,800	48.8%	78,684	11.3%	127	33.7%
1973	9,178,400	-8.5%	80,786	2.7%	114	-10.8%
1974	35,410,800	285.8%	192,921	138.8%	184	61.6%
1975	41,613,700	17.5%	218,312	13.2%	191	3.9%
1976	49,754,500	19.6%	240,966	10.4%	206	8.3%
1977	48,139,000	-3.2%	234,201	-2.8%	206	-0.5%
1978	66,051,700	37.2%	251,374	7.3%	263	27.8%
1979	62,467,900	-5.4%	237,072	-5.7%	264	0.3%
1980	92,577,600	48.2%	318,030	34.1%	291	10.5%
1981	91,937,000	-0.7%	304,065	-4.4%	302	3.9%
1982	90,516,700	-1.5%	281,028	-7.6%	322	6.5%
1983	83,750,174	-7.5%	263,597	-6.2%	318	-1.4%
1984	86,025,528	2.7%	262,177	-0.5%	328	3.3%
1985	105,214,720	22.3%	284,019	8.3%	370	12.9%
1986	102,662,679	-2.4%	272,410	-4.1%	377	1.7%
1987	102,618,681	0.0%	260,632	-4.3%	394	4.5%
1988	103,829,374	1.2%	259,814	-0.3%	400	1.5%
1989	99,449,998	-4.2%	248,414	-4.4%	400	0.2%
1990	106,410,166	7.0%	248,802	0.2%	428	6.8%
1991	112,273,243	5.5%	255,487	2.7%	439	2.7%
1992	105,505,779	-6.0%	248,249	-2.8%	425	-3.3%
1993	104,410,544	-1.0%	237,891	-4.2%	439	3.3%
1994	109,392,680	4.8%	238,708	0.3%	458	4.4%
1995	100,910,660	-7.8%	221,392	-7.3%	456	-0.5%
1996	96,323,808	-4.5%	214,530	-3.1%	450	-1.3%
1997	86,769,052	-9.9%	193,547	-9.8%	448	-0.4%
1998	79,816,730	-8.0%	178,150	-8.0%	448	-0.1%
1999	77,180,545	-3.3%	167,547	-6.0%	461	2.8%
2000	79,956,454	3.6%	173,739	3.7%	460	-0.1%
2001	99,568,850	24.5%	204,516	17.7%	487	5.8%
2002	104,420,000	4.9%	214,101	4.7%	488	0.2%
2003	113,411,348	8.6%	227,871	6.4%	498	2.0%
2004	119,752,255	5.6%	237,814	3.5%	508	2.0%
2005	127,227,514	6.2%	252,215	6.1%	504	-0.8%
2006	121,891,762	-4.2%	239,546	-5.0%	509	1.0%
2007	\$119,409,021	-2.0%	233,070	-2.7%	\$512	0.6%
2008	\$122,005,998	2.2%	236,193	1.3%	\$517	0.9%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2008 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 \$41,000 in 2008 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 - FY08

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
2001-08	18	1,160	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 following sections provide information about applicants by age, income, and housing status.

1. Age

The Homestead program originally was limited to elderly, low-income property taxpayers, and renters. In tax year 1974, eligibility was extended to all adults who meet income parameters.

Table 3 shows the distribution of claimants by age in FY2008, the average property tax (or property tax equivalent¹), the average household income, the average credit and the percent of property tax covered by the credit. As the table shows, persons aged 66 and older, as a group, are the main beneficiaries of the program; they account for about 33% of the claimants and 29% 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, FY08**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	5,103	2.2%	\$ 7,185,488	\$ 1,408	\$ 62,928,845	\$ 12,332	\$ 2,721,500	2.2%	\$ 533	37.9%
18-25	22,873	9.7%	25,397,954	1,110	262,499,647	11,476	11,421,072	9.4%	499	45.0%
26-35	29,924	12.7%	43,083,291	1,440	377,318,110	12,609	16,619,944	13.6%	555	38.6%
36-45	30,617	13.0%	48,250,672	1,576	381,014,331	12,445	17,574,654	14.4%	574	36.4%
46-55	38,249	16.2%	59,799,987	1,563	462,471,683	12,091	21,857,376	17.9%	571	36.6%
56-60	17,369	7.4%	28,328,986	1,631	212,596,948	12,240	9,779,756	8.0%	563	34.5%
61-62	5,946	2.5%	9,381,368	1,578	76,334,511	12,838	3,138,500	2.6%	528	33.5%
63-65	8,573	3.6%	13,656,301	1,593	116,996,931	13,647	4,159,028	3.4%	485	30.5%
66 and older	77,539	32.8%	135,306,814	1,745	1,185,870,740	15,294	34,734,168	28.5%	448	25.7%
Total	236,193	100.0%	\$ 370,390,861	\$ 1,568	\$ 3,138,031,746	\$ 13,286	\$ 122,005,998	100.0%	\$ 517	32.9%

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 FY2008 was \$13,286. The average income of renters was somewhat lower at \$12,113, while the average income of homeowners was higher at \$14,953. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$962 for the lowest income group to \$304 for the highest income group.

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

**TABLE 4
HOMESTEAD BENEFITS BY INCOME CLASS , FY08**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	4,461	1.9%	\$ 9,929,377	\$ 2,226	\$ 4,289,442	3.5%	\$ 962	43.2%
\$0 to \$2,500	5,240	2.2%	7,212,540	1,376	4,269,668	3.5%	815	59.2%
\$2,500 to \$8,000	30,779	13.0%	35,960,900	1,168	23,335,554	19.1%	758	64.9%
\$8,000 to \$15,000	102,820	43.5%	132,392,910	1,288	61,857,902	50.7%	602	46.7%
\$15,000 to \$24,500	92,893	39.3%	184,895,134	1,990	28,253,432	23.2%	304	15.3%
Total	236,193	100.0%	\$ 370,390,861	\$ 1,568	\$ 122,005,998	100.0%	\$ 517	32.9%

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, Tax Year 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. (\$)
TAXABLE SOURCES									
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
NONTAXABLE SOURCES									
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
DEPENDENT DEDUCTION									
	20,067,750	0.9%	44,075	1,165,500	0.1%	2,442	21,233,250	0.7%	456
TOTAL INCOME	\$2,249,018,661	100.0%	159,365	\$848,885,154	100.0%	70,485	\$3,097,903,815	100.0%	\$ 13,478

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 90,542 dependents in FY2008. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

TABLE 6
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY08

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	563	0.9%	1,512	5.1%	2,075	2.3%
\$0 to \$2,500	1,557	2.6%	677	2.3%	2,234	2.5%
\$2,500 to \$8,000	10,299	17.0%	3,036	10.2%	13,335	14.7%
\$8,000 to \$15,000	26,480	43.6%	8,831	29.6%	35,311	39.0%
\$15,000 to \$24,500	21,778	35.9%	15,809	52.9%	37,587	41.5%
Total	60,677	100%	29,865	100%	90,542	100%

TABLE 7
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY08

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	1,326	2.2%	340	1.1%	1,666	1.8%
18-25	10,419	17.2%	783	2.6%	11,202	12.4%
26-35	23,081	38.0%	6,414	21.5%	29,495	32.6%
36-45	16,206	26.7%	11,143	37.3%	27,349	30.2%
46-55	7,468	12.3%	8,047	26.9%	15,515	17.1%
56-60	1,162	1.9%	1,512	5.1%	2,674	3.0%
61-62	221	0.4%	273	0.9%	494	0.5%
63-65	268	0.4%	358	1.2%	626	0.7%
66 and older	526	0.9%	995	3.3%	1,521	1.7%
Total	60,677	100.0%	29,865	100.0%	90,542	100.0%

5. Housing Status

Homeowners received \$53.2 million (or 44%) of the total \$122.0 million in credits in FY2008 and renters received \$68.9 million (or 56%). Homeowners accounted for 41% of the number of claims and renters the remaining 59% of claims. As a result, the average credit for homeowners was \$533, compared with an average of \$496 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 below \$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. 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, even though their average benefits were lower than owners because the number of claims by renters in the younger age groups exceeds the claims by owners in those age groups.

TABLE 8
HOMESTEAD CREDIT BY INCOME CLASS AND PROPERTY OWNERSHIP, FY2008

Renters									
Household Income	Claimants		Property Tax		Credit				
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief	
Less than \$0	1,799	1.3%	\$ 2,165,333	\$ 1,204	\$ 1,477,550	2.1%	\$ 821	68.2%	
\$0 to \$2,500	3,358	2.4%	3,340,758	995	2,411,310	3.5%	718	72.2%	
\$2,500 to \$8,000	22,798	16.4%	21,133,355	927	15,678,132	22.8%	688	74.2%	
\$8,000 to \$15,000	70,221	50.6%	71,156,618	1,013	37,594,710	54.6%	535	52.8%	
\$15,000 to \$24,500	40,507	29.2%	62,143,080	1,534	11,692,108	17.0%	289	18.8%	
Total	138,683	100.0%	\$ 159,939,144	\$ 1,153	\$ 68,853,810	100.0%	\$ 496	43.1%	

Owners									
Household Income	Claimants		Property Tax		Credit				
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief	
Less than \$0	2,662	2.7%	\$ 7,764,044	\$ 2,917	\$ 2,811,892	5.3%	\$ 1,056	36.2%	
\$0 to \$2,500	1,882	1.9%	3,871,782	2,057	1,858,358	3.5%	987	48.0%	
\$2,500 to \$8,000	7,981	8.0%	14,827,545	1,858	7,657,422	14.4%	959	51.6%	
\$8,000 to \$15,000	32,599	32.7%	61,236,292	1,878	24,263,192	45.6%	744	39.6%	
\$15,000 to \$24,500	52,386	52.5%	122,752,054	2,343	16,561,324	31.2%	316	13.5%	
Total	99,709	100.0%	\$ 210,451,717	\$ 2,111	\$ 53,152,188	100.0%	\$ 533	25.3%	

TABLE 9
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY2008

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	3,596	2.6%	\$ 3,978,602	\$ 1,106	\$ 40,813,915	\$ 11,350	\$ 1,875,750	2.7%	\$ 522	47.1%
18-25	21,512	15.5%	22,764,628	1,058	241,930,642	11,246	10,745,910	15.6%	500	47.2%
26-35	24,364	17.6%	31,243,526	1,282	297,668,112	12,218	13,461,446	19.6%	553	43.1%
36-45	20,429	14.7%	25,832,310	1,264	242,263,378	11,859	11,472,588	16.7%	562	44.4%
46-55	22,494	16.2%	25,500,759	1,134	256,111,786	11,386	12,121,218	17.6%	539	47.5%
56-60	8,921	6.4%	9,524,957	1,068	101,081,524	11,331	4,552,232	6.6%	510	47.8%
61-62	2,914	2.1%	2,994,050	1,027	33,962,742	11,655	1,384,428	2.0%	475	46.2%
63-65	4,215	3.0%	4,309,719	1,022	50,646,709	12,016	1,891,338	2.7%	449	43.9%
66 and older	30,238	21.8%	33,790,593	1,117	415,442,535	13,739	11,348,900	16.5%	375	33.6%
Total	138,683	100.0%	\$ 159,939,144	\$ 1,153	\$ 1,679,921,343	\$ 12,113	\$ 68,853,810	100.0%	\$ 496	43.1%

Owners										
Age	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	1,507	1.5%	\$ 3,206,886	\$ 2,128	\$ 22,114,930	\$ 14,675	\$ 845,750	1.6%	\$ 561	26.4%
18-25	1,361	1.4%	2,633,326	1,935	20,569,005	15,113	675,162	1.3%	496	25.6%
26-35	5,560	5.7%	11,839,765	2,129	79,649,998	14,326	3,158,498	5.9%	568	26.7%
36-45	10,188	10.4%	22,418,362	2,200	138,750,953	13,619	6,102,066	11.5%	599	27.2%
46-55	15,755	16.2%	34,299,228	2,177	206,359,897	13,098	9,736,158	18.3%	618	28.4%
56-60	8,448	8.7%	18,804,029	2,226	111,515,424	13,200	5,227,524	9.8%	619	27.8%
61-62	3,032	3.1%	6,387,318	2,107	42,371,769	13,975	1,754,072	3.3%	579	27.5%
63-65	4,358	4.5%	9,346,582	2,145	66,350,222	15,225	2,267,690	4.3%	520	24.3%
66 and older	47,301	48.5%	101,516,221	2,146	770,428,205	16,288	23,385,268	44.0%	494	23.0%
Total	97,510	100.0%	\$ 210,451,717	\$ 2,158	\$ 1,458,110,403	\$ 14,953	\$ 53,152,188	100.0%	\$ 545	25.3%

6. Geographic Distribution by County

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

TABLE 10
HOMESTEAD CREDIT BY COUNTY, FY08

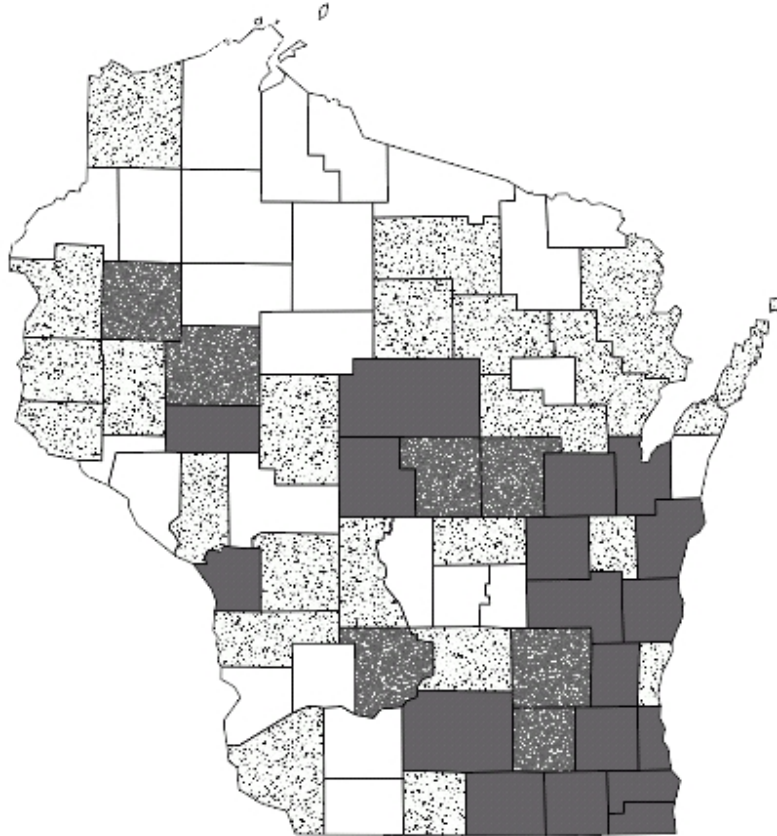
County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	983	0.4%	\$ 1,282,086	\$ 1,304	\$ 12,413,596	\$ 12,628	\$ 462,994	0.4%	\$ 471	36.1%
Ashland	867	0.4%	966,402	1,115	10,877,289	12,546	377,508	0.3%	435	39.1%
Barron	2,522	1.1%	3,457,904	1,371	33,230,859	13,176	1,223,162	1.0%	485	35.4%
Bayfield	654	0.3%	840,711	1,285	8,108,207	12,398	289,680	0.2%	443	34.5%
Brown	8,790	3.7%	13,084,583	1,489	119,259,855	13,568	4,266,926	3.5%	485	32.6%
Buffalo	626	0.3%	848,537	1,355	7,915,518	12,645	326,228	0.3%	521	38.4%
Burnett	732	0.3%	951,891	1,300	9,424,467	12,875	352,274	0.3%	481	37.0%
Calumet	1,199	0.5%	1,921,743	1,603	17,464,738	14,566	551,202	0.5%	460	28.7%
Chippewa	2,817	1.2%	3,588,253	1,274	35,674,861	12,664	1,365,990	1.1%	485	38.1%
Clark	1,728	0.7%	2,235,415	1,294	21,835,225	12,636	852,946	0.7%	494	38.2%
Columbia	1,879	0.8%	3,285,610	1,749	26,251,263	13,971	938,204	0.8%	499	28.6%
Crawford	871	0.4%	1,192,364	1,369	11,170,106	12,824	425,046	0.3%	488	35.6%
Dane	15,816	6.7%	27,145,587	1,716	206,631,387	13,065	8,499,466	7.0%	537	31.3%
Dodge	2,820	1.2%	4,824,434	1,711	40,362,230	14,313	1,400,878	1.1%	497	29.0%
Door	1,162	0.5%	1,824,852	1,570	15,918,178	13,699	584,160	0.5%	503	32.0%
Douglas	2,089	0.9%	2,550,449	1,221	26,203,742	12,544	997,990	0.8%	478	39.1%
Dunn	1,579	0.7%	2,426,279	1,537	21,076,812	13,348	758,536	0.6%	480	31.3%
Eau Claire	4,767	2.0%	6,425,236	1,348	62,079,890	13,023	2,311,610	1.9%	485	36.0%
Florence	242	0.1%	271,710	1,123	2,860,788	11,821	109,752	0.1%	454	40.4%
Fond du Lac	3,716	1.6%	5,424,369	1,460	52,208,329	14,050	1,734,336	1.4%	467	32.0%
Forest	453	0.2%	539,972	1,192	5,621,722	12,410	196,580	0.2%	434	36.4%
Grant	1,960	0.8%	2,604,768	1,329	25,451,805	12,986	907,302	0.7%	463	34.8%
Green	1,427	0.6%	2,324,979	1,629	19,604,860	13,739	705,450	0.6%	494	30.3%
Green Lake	824	0.3%	1,340,148	1,626	11,594,010	14,070	410,316	0.3%	498	30.6%
Iowa	884	0.4%	1,409,079	1,594	11,702,996	13,239	454,846	0.4%	515	32.3%
Iron	453	0.2%	497,820	1,099	5,497,933	12,137	190,660	0.2%	421	38.3%
Jackson	803	0.3%	1,059,585	1,320	10,274,611	12,795	391,974	0.3%	488	37.0%
Jefferson	2,563	1.1%	4,368,881	1,705	36,966,353	14,423	1,229,620	1.0%	480	28.1%
Juneau	1,265	0.5%	1,678,821	1,327	16,093,663	12,722	603,562	0.5%	477	36.0%
Kenosha	6,151	2.6%	11,517,129	1,872	84,266,995	13,700	3,324,758	2.7%	541	28.9%
Kewaunee	709	0.3%	1,055,639	1,489	10,209,740	14,400	332,322	0.3%	469	31.5%
La Crosse	5,323	2.3%	7,547,187	1,418	69,229,307	13,006	2,578,482	2.1%	484	34.2%
Lafayette	630	0.3%	924,312	1,467	8,147,541	12,933	320,514	0.3%	509	34.7%
Langlade	1,250	0.5%	1,418,200	1,135	15,719,974	12,576	565,704	0.5%	453	39.9%
Lincoln	1,321	0.6%	1,756,929	1,330	17,322,122	13,113	619,310	0.5%	469	35.2%
Manitowoc	3,655	1.5%	5,135,307	1,405	51,415,604	14,067	1,695,604	1.4%	464	33.0%

TABLE 10 (Continued)
 HOMESTEAD CREDIT BY COUNTY, FY08

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Marathon	5,149	2%	\$ 7,735,639	\$ 1,502	\$ 70,941,715	\$ 13,778	\$ 2,619,554	2%	\$ 509	33.9%
Marinette	2,038	1%	2,219,650	1,089	24,893,978	12,215	898,658	1%	441	40.5%
Marquette	852	0%	1,246,481	1,463	11,343,455	13,314	438,242	0%	514	35.2%
Menominee	25	0%	45,417	1,817	331,549	13,262	13,244	0%	530	29.2%
Milwaukee	57,942	25%	95,027,569	1,640	734,511,875	12,677	33,586,116	28%	580	35.3%
Monroe	1,717	1%	2,323,114	1,353	22,338,798	13,010	850,332	1%	495	36.6%
Oconto	1,574	1%	2,142,396	1,361	20,127,933	12,788	805,464	1%	512	37.6%
Oneida	1,717	1%	2,422,117	1,411	23,133,497	13,473	807,446	1%	470	33.3%
Outagamie	6,062	3%	9,248,162	1,526	85,388,240	14,086	2,934,256	2%	484	31.7%
Ozaukee	1,945	1%	4,092,158	2,104	29,111,788	14,968	968,894	1%	498	23.7%
Pepin	395	0%	613,942	1,554	5,196,732	13,156	195,892	0%	496	31.9%
Pierce	956	0%	1,669,997	1,747	12,682,317	13,266	507,028	0%	530	30.4%
Polk	1,763	1%	2,724,911	1,546	23,190,468	13,154	886,844	1%	503	32.5%
Portage	2,719	1%	3,732,654	1,373	35,764,779	13,154	1,337,550	1%	492	35.8%
Price	749	0%	914,795	1,221	9,452,145	12,620	343,946	0%	459	37.6%
Racine	8,141	3%	14,263,472	1,752	111,003,104	13,635	4,475,110	4%	550	31.4%
Richland	850	0%	1,067,246	1,256	10,470,734	12,319	409,766	0%	482	38.4%
Rock	7,042	3%	10,183,442	1,446	93,224,899	13,238	3,640,260	3%	517	35.7%
Rusk	842	0%	957,477	1,137	10,299,466	12,232	392,738	0%	466	41.0%
St. Croix	1,884	1%	3,291,773	1,747	25,795,646	13,692	948,508	1%	503	28.8%
Sauk	2,371	1%	3,720,463	1,569	32,330,098	13,636	1,177,120	1%	496	31.6%
Sawyer	691	0%	823,615	1,192	8,358,290	12,096	313,376	0%	454	38.0%
Shawano	1,862	1%	2,410,056	1,294	24,842,860	13,342	864,758	1%	464	35.9%
Sheboygan	4,428	2%	7,069,094	1,596	63,089,240	14,248	2,065,136	2%	466	29.2%
Taylor	908	0%	1,203,529	1,325	11,709,610	12,896	448,652	0%	494	37.3%
Trempealeau	1,205	1%	1,785,805	1,482	15,813,748	13,123	638,406	1%	530	35.7%
Vernon	1,561	1%	2,209,593	1,415	19,440,641	12,454	798,854	1%	512	36.2%
Vilas	1,050	0%	1,387,414	1,321	13,455,592	12,815	490,982	0%	468	35.4%
Walworth	3,097	1%	6,080,515	1,963	43,723,083	14,118	1,671,604	1%	540	27.5%
Washburn	942	0%	1,228,786	1,304	12,025,351	12,766	454,698	0%	483	37.0%
Washington	3,370	1%	6,213,140	1,844	50,177,550	14,889	1,602,546	1%	476	25.8%
Waukesha	8,323	4%	17,426,382	2,094	121,239,269	14,567	4,131,110	3%	496	23.7%
Waupaca	2,426	1%	3,395,361	1,400	32,840,290	13,537	1,170,900	1%	483	34.5%
Waushara	1,117	0%	1,518,573	1,360	15,295,735	13,694	526,146	0%	471	34.6%
Winnebago	6,504	3%	9,604,427	1,477	88,657,235	13,631	3,182,866	3%	489	33.1%
Wood	3,570	2%	4,410,033	1,235	47,679,485	13,356	1,607,870	1%	450	36.5%
Unknown	2,876	1%	4,254,492	1,479	38,063,975	13,235	1,445,234	1%	503	34.0%
Total	236,193	100.0%	\$ 370,390,861	\$ 1,568	\$ 3,138,031,746	\$ 13,286	\$ 122,005,998	100.0%	\$ 517	32.9%

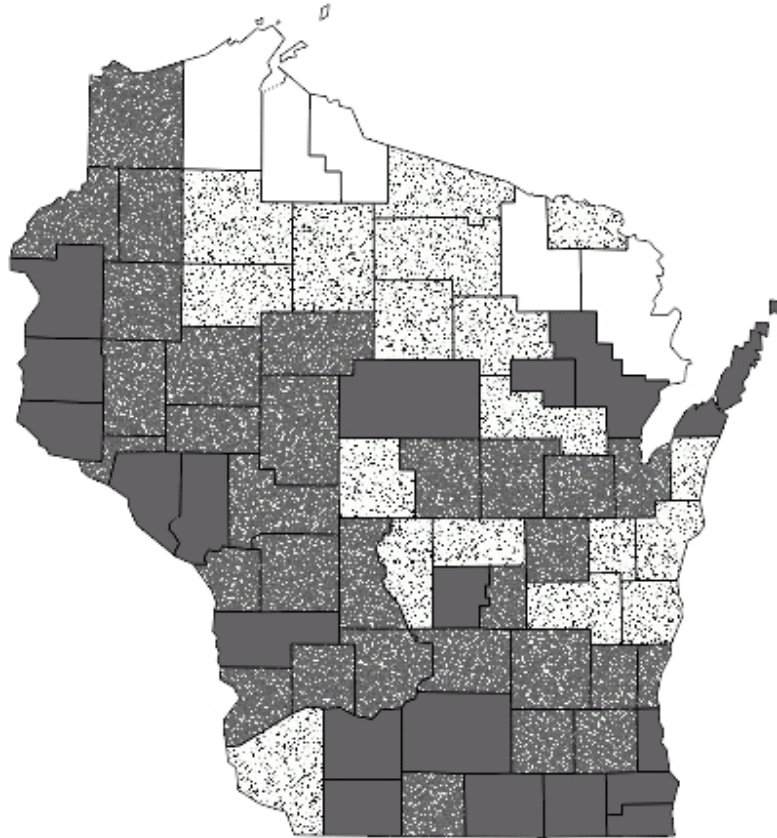
Note: Detail may not sum to total due to rounding.

GRAPH 1
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY08



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, FY08



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

