

## **THE HOMESTEAD TAX CREDIT PROGRAM: SUMMARY FOR FY17**

### **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 183,717 Wisconsin tax filers claimed Homestead credits amounting to \$94.5 million in FY17. 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 2017, for property taxes accrued in 2016, 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 2017 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.

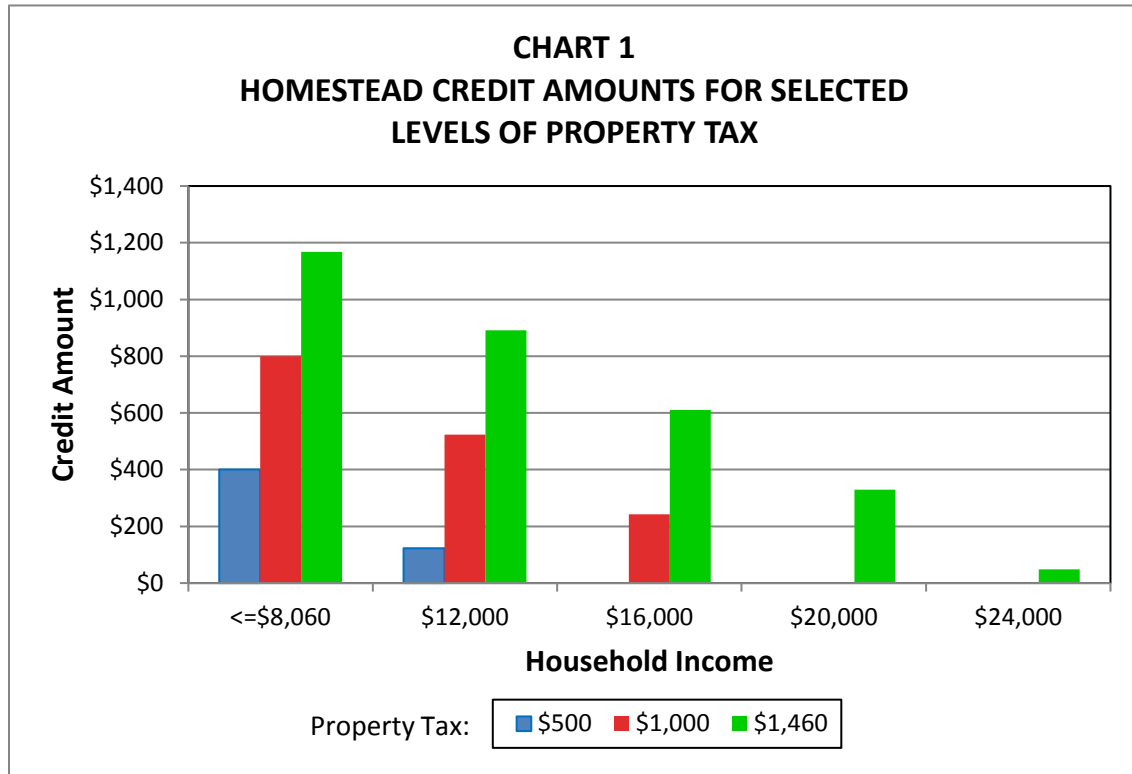
The parameters used to compute the credit are as follows:

- The property tax equal to the lesser of the claimant's property tax levied in 2016 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 FY2017.

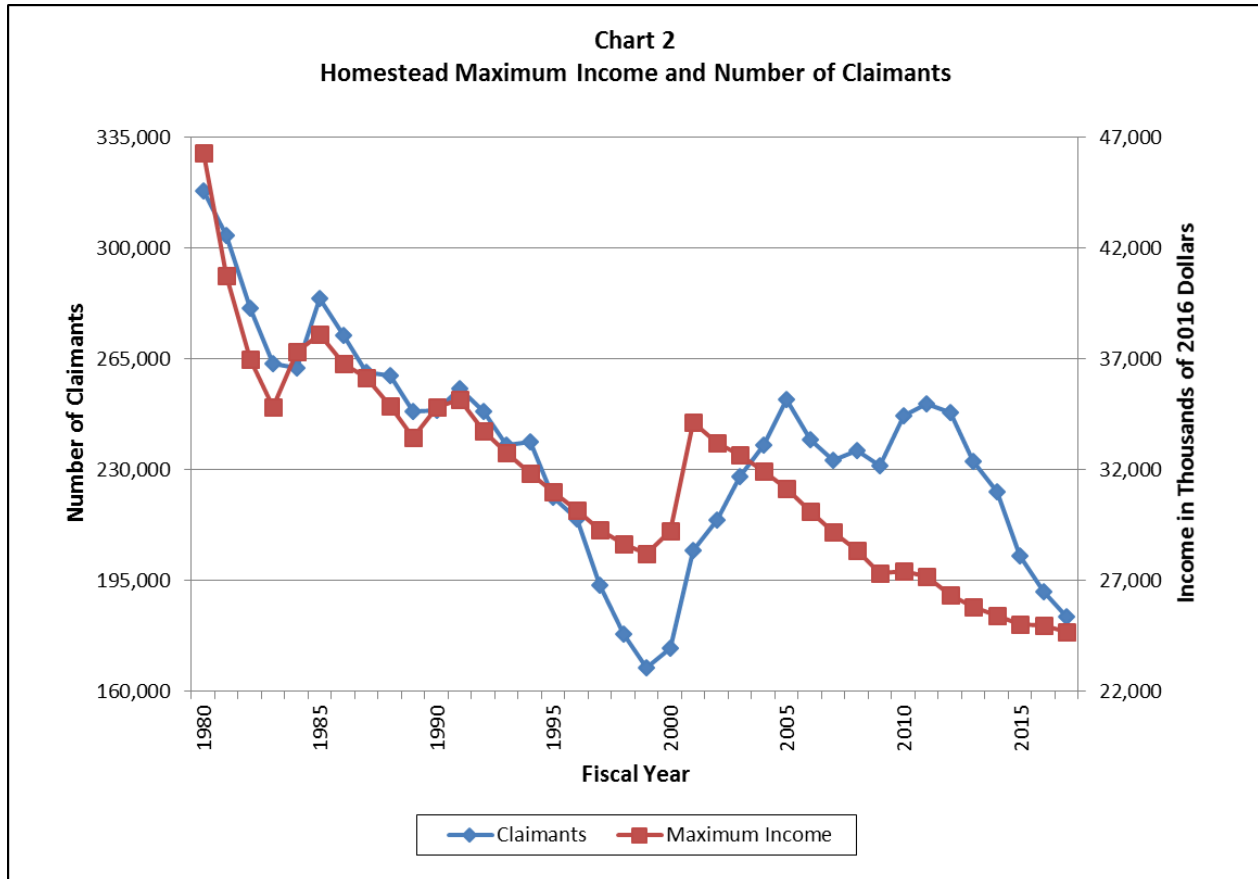
Increases in the maximum property tax eligible for relief, the income threshold, and income ceiling have also contributed to spurts in the number of claims and the amount of credits.

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 FY2017, the number of Homestead credit claimants decreased by an average of 0.3% 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%
2017	\$94,511,893	-4.0%	183,717	-4.0%	\$514	0.1%

Chart 2 shows the number of claimants (left axis) compared with the maximum income allowed for claiming the credit in 2016 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 \$46,282 in 2016 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 - FY17**

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
2011-17	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 age<sup>1</sup> in FY2017, the average property tax (or property tax equivalent<sup>2</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 30% of the claimants and 26% 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, FY17**

Age	Claimants		Property Tax		Household Income		Benefits			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	1,480	0.8%	\$2,065,712	\$1,396	\$19,486,703	\$13,167	\$735,870	0.8%	\$497	35.6%
18-25	14,794	8.1%	18,282,915	1,236	190,390,688	12,869	6,832,856	7.2%	462	37.4%
26-35	25,173	13.7%	39,855,814	1,583	350,422,253	13,921	13,174,832	13.9%	523	33.1%
36-45	19,905	10.8%	34,691,369	1,743	271,659,140	13,648	11,300,687	12.0%	568	32.6%
46-55	28,421	15.5%	48,861,019	1,719	365,060,511	12,845	16,668,010	17.6%	586	34.1%
56-60	19,602	10.7%	33,636,938	1,716	251,133,921	12,812	11,279,208	11.9%	575	33.5%
61-62	7,696	4.2%	13,449,306	1,748	101,373,320	13,172	4,324,288	4.6%	562	32.2%
63-65	10,978	6.0%	18,941,736	1,725	155,853,076	14,197	5,549,926	5.9%	506	29.3%
66 and older	55,668	30.3%	102,743,188	1,846	891,125,963	16,008	24,646,216	26.1%	443	24.0%
<b>Total</b>	<b>183,717</b>	<b>100.0%</b>	<b>\$312,527,997</b>	<b>\$1,701</b>	<b>\$2,596,505,575</b>	<b>\$14,133</b>	<b>\$94,511,893</b>	<b>100.0%</b>	<b>\$514</b>	<b>30.2%</b>

<sup>1</sup> 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".

<sup>2</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.



## 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 FY2017 was \$14,133. The average income of renters was somewhat lower at \$13,498, while the average income of homeowners was higher at \$15,190. Table 4 shows the credit by household income group. As shown in the table, the average credit decreases as household income increases, ranging from \$1,005 for the lowest income group to \$311 for the highest income group.

**TABLE 4**  
**HOMESTEAD BENEFITS BY INCOME CLASS, FY17**

Household Income	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	2,954	1.6%	\$7,531,643	\$2,550	\$2,968,826	3.1%	\$1,005	39.4%
\$0 to \$2,500	3,666	2.0%	6,255,768	1,706	3,221,426	3.4%	879	51.5%
\$2,500 to \$8,000	15,441	8.4%	21,373,072	1,384	12,562,592	13.3%	814	58.8%
\$8,000 to \$15,000	79,248	43.1%	110,050,227	1,389	50,169,984	53.1%	633	45.6%
\$15,000 to \$24,500	82,408	44.9%	167,317,287	2,030	25,589,065	27.1%	311	15.3%
Total	183,717	100.0%	\$312,527,997	\$1,701	\$94,511,893	100.0%	\$514	30.2%

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

## 3. Income Sources

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

Table 5 details the sources of income for Homestead claimants. The information in the table is derived from the 2014 Individual Income Tax Model using a stratified sample of 23,207 income tax and Homestead credit returns filed for tax year 2014 weighted to represent the population of tax filers and Homestead claimants. More recent data are not yet available.

Nearly four-fifths (79.9%) of Homestead claimants file income tax returns, though only 15% 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 \$167 and the average Homestead credit was \$256, so the majority of these claimants receive a refund check.

**TABLE 5  
SOURCES OF HOUSEHOLD INCOME FOR HOMESTEAD FILERS, 2014**

	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	\$ 1,108,992,545	48.7%	91,623	N/A	N/A	N/A	N/A	N/A	N/A
Interest and Dividends	39,775,697	1.7%	48,321	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	1,148,768,242	50.5%	126,045	\$ 6,261,954	1.1%	6,660	\$1,155,030,196	40.5%	\$8,704
Farm Income	-20,275,429	-0.9%	2,448	N/A	N/A	N/A	N/A	N/A	N/A
Business Income	111,798,761	4.9%	22,108	N/A	N/A	N/A	N/A	N/A	N/A
Other Taxable	-86,941,187	-3.8%	87,419	2,584,080	0.5%	888	-84,357,107	-3.0%	-955
Total Taxable	1,153,350,387	50.7%	132,041	8,846,034	1.5%	7,104	1,162,196,421	40.8%	8,352
<b>Nontaxable Sources</b>									
Social Security	873,643,538	38.4%	66,946	517,658,046	90.2%	40,182	1,391,301,584	48.8%	12,987
Rail Road Retirement	1,269,396	0.1%	333	0	0.0%	0	1,269,396	0.0%	3,812
Unemployment Comp.	28,137,057	1.2%	8,547	6,990,336	1.2%	444	35,127,393	1.2%	3,907
Pensions	84,285,098	3.7%	24,759	31,186,782	5.4%	8,214	115,471,880	4.1%	3,502
Public Assistance	2,446,107	0.1%	1,332	1,698,300	0.3%	888	4,144,407	0.1%	1,867
Other Nontaxable	169,214,530	7.4%	50,552	9,361,740	1.6%	1,332	178,576,270	6.3%	3,442
Total Nontaxable	1,158,995,726	50.9%	110,604	566,895,204	98.8%	41,070	1,725,890,930	60.6%	11,379
<b>Dependent Deduction</b>	36,931,500	1.6%	42,428	1,776,000	0.3%	2,664	38,707,500	1.4%	858
<b>Total Income</b>	\$ 2,275,414,613	100.0%	163,454	\$573,965,238	100.0%	41,070	\$2,849,379,851	100.0%	13,932

Source: 2014 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 64,486 dependents in FY17. Tables 6 and 7 show the distribution of dependents by income class, housing status, and age group.

**TABLE 6  
HOMESTEAD DEPENDENTS BY INCOME CLASS, FY17**

Household Income	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Less than \$0	456	1.0%	1,166	6.2%	1,622	2.5%
\$0 to \$2,500	936	2.1%	436	2.3%	1,372	2.1%
\$2,500 to \$8,000	4,957	10.9%	1,766	9.3%	6,723	10.4%
\$8,000 to \$15,000	17,516	38.4%	5,497	29.0%	23,013	35.7%
\$15,000 to \$24,500	21,693	47.6%	10,063	53.2%	31,756	49.2%
Total	45,558	100%	18,928	100%	64,486	100%

**TABLE 7  
HOMESTEAD DEPENDENTS BY AGE GROUP OF CLAIMANT, FY17**

Age	Renters		Owners		Total	
	Count	% of Total	Count	% of Total	Count	% of Total
Unknown	314	0.7%	152	0.8%	466	0.7%
18-25	5,099	11.2%	364	1.9%	5,463	8.5%
26-35	19,595	43.0%	4,004	21.2%	23,599	36.6%
36-45	13,124	28.8%	6,185	32.7%	19,309	29.9%
46-55	5,337	11.7%	5,370	28.4%	10,707	16.6%
56-60	1,250	2.7%	1,499	7.9%	2,749	4.3%
61-62	276	0.6%	368	1.9%	644	1.0%
63-65	231	0.5%	357	1.9%	588	0.9%
66 and older	332	0.7%	629	3.3%	961	1.5%
Total	45,558	100.0%	18,928	100.0%	64,486	100.0%

## 5. Housing Status

Homeowners received \$37.5 million (or 40%) of the total \$94.5 million in credits in FY17 and renters received \$57.0 million (or 60%). Homeowners accounted for 38% of the number of claims and renters the remaining 62% of claims. As a result, the average credit for homeowners was \$543, compared with an average of \$497 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, FY17**

Household Income	Renters							
	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,020	0.9%	\$1,445,865	\$1,418	\$886,410	1.6%	\$869	61.3%
\$0 to \$2,500	2,021	1.8%	2,355,277	1,165	1,539,022	2.7%	762	65.3%
\$2,500 to \$8,000	10,450	9.1%	10,965,995	1,049	7,627,886	13.4%	730	69.6%
\$8,000 to \$15,000	57,770	50.4%	67,167,704	1,163	33,960,224	59.6%	588	50.6%
\$15,000 to \$24,500	43,459	37.9%	72,928,111	1,678	13,003,267	22.8%	299	17.8%
Total	114,720	100.0%	\$154,862,952	\$1,350	\$57,016,809	100.0%	\$497	36.8%

Household Income	Owners							
	Claimants		Property Tax		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	% of Total	Avg. Credit	% of Relief
Less than \$0	1,934	2.8%	\$6,085,778	\$3,147	\$2,082,416	5.6%	\$1,077	34.2%
\$0 to \$2,500	1,645	2.4%	3,900,491	2,371	1,682,404	4.5%	1,023	43.1%
\$2,500 to \$8,000	4,991	7.2%	10,407,077	2,085	4,934,706	13.2%	989	47.4%
\$8,000 to \$15,000	21,478	31.1%	42,882,523	1,997	16,209,760	43.2%	755	37.8%
\$15,000 to \$24,500	38,949	56.5%	94,389,176	2,423	12,585,798	33.6%	323	13.3%
Total	68,997	100.0%	\$157,665,045	\$2,285	\$37,495,084	100.0%	\$543	23.8%

**TABLE 9  
HOMESTEAD CREDIT BY AGE AND PROPERTY OWNERSHIP, FY17**

<b>Renters</b>										
Age	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	1,104	1.0%	\$1,289,894	\$1,168	\$14,045,257	\$12,722	\$526,156	0.9%	\$477	40.8%
18-25	14,213	12.4%	17,095,532	1,203	182,049,910	12,809	6,524,060	11.4%	459	38.2%
26-35	21,776	19.0%	32,137,650	1,476	300,873,694	13,817	11,263,980	19.8%	517	35.0%
36-45	14,804	12.9%	22,611,368	1,527	200,109,632	13,517	8,229,065	14.4%	556	36.4%
46-55	17,996	15.7%	24,332,159	1,352	229,469,613	12,751	9,994,816	17.5%	555	41.1%
56-60	11,091	9.7%	13,915,242	1,255	139,236,260	12,554	5,901,660	10.4%	532	42.4%
61-62	4,089	3.6%	5,010,060	1,225	52,514,454	12,843	2,081,872	3.7%	509	41.6%
63-65	5,758	5.0%	7,055,858	1,225	76,906,421	13,356	2,719,328	4.8%	472	38.5%
66 and older	23,889	20.8%	31,415,189	1,315	353,235,306	14,787	9,775,872	17.1%	409	31.1%
<b>Total</b>	<b>114,720</b>	<b>100.0%</b>	<b>\$154,862,952</b>	<b>\$1,350</b>	<b>\$1,548,440,547</b>	<b>\$13,498</b>	<b>\$57,016,809</b>	<b>100.0%</b>	<b>\$497</b>	<b>36.8%</b>

<b>Owners</b>										
Age	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Unknown	376	0.5%	\$775,818	\$2,063	\$5,441,446	\$14,472	\$209,714	0.6%	\$558	27.0%
18-25	581	0.8%	1,187,383	2,044	8,340,778	14,356	308,796	0.8%	531	26.0%
26-35	3,397	4.9%	7,718,164	2,272	49,548,559	14,586	1,910,852	5.1%	563	24.8%
36-45	5,101	7.4%	12,080,001	2,368	71,549,508	14,027	3,071,622	8.2%	602	25.4%
46-55	10,425	15.1%	24,528,860	2,353	135,590,898	13,006	6,673,194	17.8%	640	27.2%
56-60	8,511	12.3%	19,721,696	2,317	111,897,661	13,147	5,377,548	14.3%	632	27.3%
61-62	3,607	5.2%	8,439,246	2,340	48,858,866	13,546	2,242,416	6.0%	622	26.6%
63-65	5,220	7.6%	11,885,878	2,277	78,946,655	15,124	2,830,598	7.5%	542	23.8%
66 and older	31,779	46.1%	71,327,999	2,245	537,890,657	16,926	14,870,344	39.7%	468	20.8%
<b>Total</b>	<b>68,997</b>	<b>100.0%</b>	<b>\$157,665,045</b>	<b>\$2,285</b>	<b>\$1,048,065,028</b>	<b>\$15,190</b>	<b>\$37,495,084</b>	<b>100.0%</b>	<b>\$543</b>	<b>23.8%</b>

## 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, FY17**

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Avg. Income	Amount	% of Total	Avg. Credit	% of Relief
Adams	757	0.4%	\$ 1,049,187	\$ 1,386	\$ 10,254,388	\$ 13,546	\$ 362,094	0.4%	\$ 478	34.5%
Ashland	556	0.3%	698,223	1,256	7,347,474	13,215	250,650	0.3%	451	35.9%
Barron	1,913	1.0%	2,803,227	1,465	26,983,397	14,105	911,080	1.0%	476	32.5%
Bayfield	502	0.3%	692,334	1,379	6,545,876	13,040	238,474	0.3%	475	34.4%
Brown	7,379	4.0%	11,665,900	1,581	106,018,144	14,368	3,603,750	3.8%	488	30.9%
Buffalo	510	0.3%	800,139	1,569	6,824,918	13,382	261,518	0.3%	513	32.7%
Burnett	480	0.3%	617,003	1,285	6,516,749	13,577	214,518	0.2%	447	34.8%
Calumet	914	0.5%	1,620,324	1,773	13,801,642	15,100	433,022	0.5%	474	26.7%
Chippewa	2,143	1.2%	3,120,430	1,456	29,927,475	13,965	1,035,444	1.1%	483	33.2%
Clark	1,254	0.7%	1,932,732	1,541	16,440,835	13,111	662,684	0.7%	528	34.3%
Columbia	1,417	0.8%	2,667,458	1,882	20,831,573	14,701	737,024	0.8%	520	27.6%
Crawford	663	0.4%	1,038,952	1,567	8,832,516	13,322	333,052	0.4%	502	32.1%
Dane	12,159	6.6%	25,432,600	2,092	174,115,302	14,320	6,498,536	6.9%	534	25.6%
Dodge	2,210	1.2%	3,879,157	1,755	33,194,499	15,020	1,093,108	1.2%	495	28.2%
Door	883	0.5%	1,504,251	1,704	13,186,663	14,934	435,854	0.5%	494	29.0%
Douglas	1,627	0.9%	2,263,793	1,391	22,076,101	13,569	765,044	0.8%	470	33.8%
Dunn	1,225	0.7%	1,887,450	1,541	16,665,878	13,605	596,982	0.6%	487	31.6%
Eau Claire	3,912	2.1%	5,871,509	1,501	54,477,041	13,926	1,925,776	2.0%	492	32.8%
Florence	150	0.1%	196,955	1,313	1,846,960	12,313	68,132	0.1%	454	34.6%
Fond du Lac	2,973	1.6%	4,682,908	1,575	43,666,927	14,688	1,408,384	1.5%	474	30.1%
Forest	310	0.2%	369,317	1,191	4,074,976	13,145	134,990	0.1%	435	36.6%
Grant	1,449	0.8%	2,188,427	1,510	19,555,436	13,496	702,328	0.7%	485	32.1%
Green	1,132	0.6%	2,126,816	1,879	17,086,925	15,094	548,908	0.6%	485	25.8%
Green Lake	638	0.3%	1,048,321	1,643	9,249,606	14,498	330,452	0.3%	518	31.5%
Iowa	676	0.4%	1,197,784	1,772	9,524,738	14,090	344,546	0.4%	510	28.8%
Iron	283	0.2%	325,300	1,149	3,628,929	12,823	119,172	0.1%	421	36.6%
Jackson	606	0.3%	960,386	1,585	7,906,849	13,048	329,144	0.3%	543	34.3%
Jefferson	2,120	1.2%	\$3,990,093	\$1,882	\$31,850,919	\$15,024	\$1,014,114	1.1%	\$478	25.4%

**TABLE 10 (Continued)**  
**HOMESTEAD CREDIT BY COUNTY, FY17**

County	Claimants		Property Tax		Household Income		Credit			
	Count	% of Total	Amount	Avg. Tax	Amount	Income	Amount	% of Total	Credit	Relief
Juneau	887	0.5%	\$1,228,394	\$ 1,385	\$ 11,846,624	\$ 13,356	\$427,716	0.5%	\$482	34.8%
Kenosha	5,084	2.8%	9,751,785	1,918	73,227,661	14,404	2,732,298	2.9%	537	28.0%
Kewaunee	562	0.3%	838,264	1,492	8,150,381	14,502	262,534	0.3%	467	31.3%
La Crosse	4,027	2.2%	6,556,209	1,628	56,918,970	14,134	1,958,808	2.1%	486	29.9%
Lafayette	472	0.3%	822,145	1,742	6,347,449	13,448	254,726	0.3%	540	31.0%
Langlade	909	0.5%	1,069,000	1,176	11,816,893	13,000	415,582	0.4%	457	38.9%
Lincoln	983	0.5%	1,353,056	1,376	13,484,396	13,718	462,106	0.5%	470	34.2%
Manitowoc	2,793	1.5%	4,268,530	1,528	41,114,203	14,720	1,341,260	1.4%	480	31.4%
Marathon	4,397	2.4%	6,952,266	1,581	63,260,098	14,387	2,209,218	2.3%	502	31.8%
Marinette	1,381	0.8%	1,677,172	1,214	18,300,844	13,252	617,914	0.7%	447	36.8%
Marquette	617	0.3%	1,045,443	1,694	8,549,197	13,856	327,594	0.3%	531	31.3%
Menominee	16	0.0%	29,883	1,868	222,692	13,918	7,396	0.0%	462	24.7%
Milwaukee	44,836	24.4%	77,432,090	1,727	614,147,858	13,698	24,948,434	26.4%	556	32.2%
Monroe	1,404	0.8%	2,185,625	1,557	19,336,813	13,773	727,326	0.8%	518	33.3%
Oconto	1,114	0.6%	1,593,393	1,430	15,436,193	13,857	542,246	0.6%	487	34.0%
Oneida	1,295	0.7%	1,862,458	1,438	18,279,906	14,116	603,218	0.6%	466	32.4%
Outagamie	4,926	2.7%	8,112,140	1,647	72,617,155	14,742	2,432,258	2.6%	494	30.0%
Ozaukee	1,481	0.8%	3,323,454	2,244	22,353,949	15,094	771,526	0.8%	521	23.2%
Pepin	271	0.1%	427,008	1,576	3,681,056	13,583	132,408	0.1%	489	31.0%
Pierce	721	0.4%	1,347,825	1,869	10,288,512	14,270	365,022	0.4%	506	27.1%
Polk	1,312	0.7%	2,053,072	1,565	18,538,373	14,130	631,836	0.7%	482	30.8%
Portage	2,173	1.2%	3,276,822	1,508	30,108,552	13,856	1,079,370	1.1%	497	32.9%
Price	541	0.3%	695,506	1,286	7,369,791	13,623	248,424	0.3%	459	35.7%
Racine	6,764	3.7%	12,456,210	1,842	96,236,565	14,228	3,801,170	4.0%	562	30.5%
Richland	611	0.3%	854,947	1,399	8,197,130	13,416	301,108	0.3%	493	35.2%
Rock	5,809	3.2%	9,381,378	1,615	82,481,132	14,199	2,947,726	3.1%	507	31.4%
Rusk	547	0.3%	704,151	1,287	7,066,158	12,918	270,944	0.3%	495	38.5%
St. Croix	1,421	0.8%	2,744,747	1,932	21,107,206	14,854	710,090	0.8%	500	25.9%
Sauk	1,955	1.1%	3,388,862	1,733	28,486,423	14,571	964,118	1.0%	493	28.4%
Sawyer	436	0.2%	535,193	1,228	5,579,511	12,797	195,830	0.2%	449	36.6%
Shawano	1,375	0.7%	1,923,877	1,399	19,412,102	14,118	643,672	0.7%	468	33.5%
Sheboygan	3,507	1.9%	5,451,836	1,555	51,305,293	14,629	1,631,184	1.7%	465	29.9%
Taylor	680	0.4%	1,104,481	1,624	9,475,743	13,935	356,604	0.4%	524	32.3%
Trempealeau	936	0.5%	1,694,643	1,811	13,423,269	14,341	496,792	0.5%	531	29.3%
Vernon	1,193	0.6%	1,963,120	1,646	15,989,825	13,403	613,520	0.6%	514	31.3%
Vilas	749	0.4%	1,041,443	1,390	10,518,625	14,044	344,688	0.4%	460	33.1%
Walworth	2,483	1.4%	4,983,889	2,007	36,010,493	14,503	1,324,236	1.4%	533	26.6%
Washburn	563	0.3%	773,675	1,374	7,601,578	13,502	275,908	0.3%	490	35.7%
Washington	2,550	1.4%	4,884,764	1,916	38,679,140	15,168	1,272,648	1.3%	499	26.1%
Waukesha	6,680	3.6%	14,728,973	2,205	101,300,748	15,165	3,402,890	3.6%	509	23.1%
Waupaca	1,940	1.1%	3,023,855	1,559	27,648,705	14,252	947,742	1.0%	489	31.3%
Waushara	893	0.5%	1,297,411	1,453	12,050,763	13,495	451,930	0.5%	506	34.8%
Winnebago	5,316	2.9%	8,746,477	1,645	77,559,701	14,590	2,611,298	2.8%	491	29.9%
Wood	2,927	1.6%	4,200,304	1,435	41,784,156	14,275	1,375,979	1.5%	470	32.8%
Unknown	1,339	0.7%	2,111,245	1,577	16,761,007	12,518	713,816	0.8%	533	33.8%
Total	183,717	100.0%	\$312,527,997	\$1,701	\$2,596,505,575	\$14,133	\$94,511,893	100.0%	\$514	30.2%

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

**TABLE 11  
HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY17**

County	Total Returns	Homestead Returns	% of Returns with Homestead	2016 Population	Homestead Population	% of Pop. with Homestead
Adams	10,146	757	7.5%	20,730	1,073	5.2%
Ashland	7,647	556	7.3%	15,975	709	4.4%
Barron	23,776	1,913	8.0%	46,372	2,589	5.6%
Bayfield	7,820	502	6.4%	15,206	670	4.4%
Brown	130,916	7,379	5.6%	257,897	10,620	4.1%
Buffalo	6,851	510	7.4%	13,704	691	5.0%
Burnett	7,365	480	6.5%	15,544	673	4.3%
Calumet	22,876	914	4.0%	51,669	1,234	2.4%
Chippewa	30,268	2,143	7.1%	64,135	3,006	4.7%
Clark	15,091	1,254	8.3%	34,888	2,482	7.1%
Columbia	30,247	1,417	4.7%	57,066	2,069	3.6%
Crawford	7,817	663	8.5%	16,744	897	5.4%
Dane	276,765	12,159	4.4%	518,538	15,938	3.1%
Dodge	42,572	2,210	5.2%	89,962	3,012	3.3%
Door	15,527	883	5.7%	28,127	1,166	4.1%
Douglas	20,876	1,627	7.8%	44,415	2,222	5.0%
Dunn	19,694	1,225	6.2%	44,575	1,677	3.8%
Eau Claire	50,738	3,912	7.7%	101,731	5,491	5.4%
Florence	2,138	150	7.0%	4,473	224	5.0%
Fond du Lac	50,986	2,973	5.8%	103,290	3,985	3.9%
Forest	4,306	310	7.2%	9,279	443	4.8%
Grant	23,083	1,449	6.3%	53,107	2,058	3.9%
Green	18,545	1,132	6.1%	36,907	1,557	4.2%
Green Lake	9,516	638	6.7%	19,143	996	5.2%
Iowa	11,786	676	5.7%	23,829	891	3.7%
Iron	3,101	283	9.1%	5,901	367	6.2%
Jackson	9,350	606	6.5%	20,743	929	4.5%
Jefferson	41,443	2,120	5.1%	84,262	2,923	3.5%
Juneau	12,455	887	7.1%	27,022	1,293	4.8%
Kenosha	81,863	5,084	6.2%	167,658	7,608	4.5%
Kewaunee	10,265	562	5.5%	20,723	767	3.7%
La Crosse	58,208	4,027	6.9%	118,038	5,347	4.5%
Lafayette	7,923	472	6.0%	16,961	677	4.0%
Langlade	9,764	909	9.3%	19,995	1,280	6.4%
Lincoln	14,376	983	6.8%	28,787	1,294	4.5%
Manitowoc	40,606	2,793	6.9%	81,404	3,814	4.7%
Marathon	68,628	4,397	6.4%	135,483	6,113	4.5%
Marinette	20,752	1,381	6.7%	41,413	1,920	4.6%
Marquette	7,604	617	8.1%	15,425	933	6.0%
Menominee	1,669	16	1.0%	4,256	22	0.5%
Milwaukee	464,560	44,836	9.7%	948,930	68,573	7.2%
Monroe	21,419	1,404	6.6%	45,865	2,393	5.2%
Oconto	18,591	1,114	6.0%	38,195	1,581	4.1%
Oneida	18,967	1,295	6.8%	36,208	1,705	4.7%

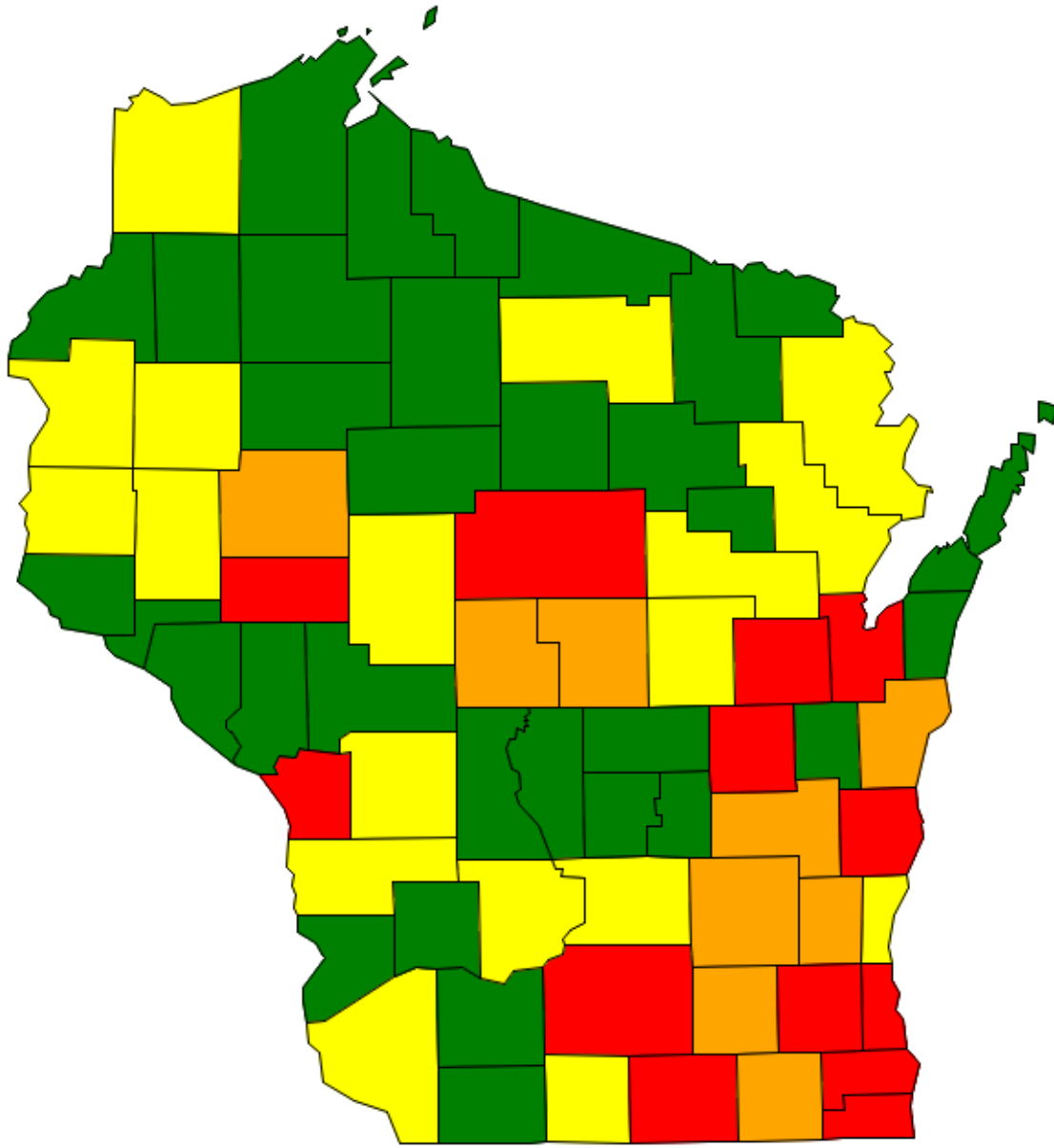
**TABLE 11 (Continued)**  
**HOMESTEAD CREDIT PARTICIPATION BY COUNTY, FY17**

County	Total Returns	Homestead Returns	% of Returns with Homestead	2016 Population	Homestead Population	% of Pop. with Homestead
Outagamie	95,535	4,926	5.2%	182,365	6,774	3.7%
Ozaukee	44,834	1,481	3.3%	87,879	2,001	2.3%
Pepin	3,597	271	7.5%	7,414	367	5.0%
Pierce	19,295	721	3.7%	41,320	993	2.4%
Polk	21,506	1,312	6.1%	44,144	1,869	4.2%
Portage	33,956	2,173	6.4%	70,883	2,860	4.0%
Price	7,116	541	7.6%	14,086	718	5.1%
Racine	97,805	6,764	6.9%	195,294	10,173	5.2%
Richland	8,064	611	7.6%	17,954	903	5.0%
Rock	80,484	5,809	7.2%	159,886	8,450	5.3%
Rusk	6,609	547	8.3%	14,783	793	5.4%
St. Croix	43,288	1,421	3.3%	86,858	2,011	2.3%
Sauk	33,886	1,955	5.8%	62,187	2,656	4.3%
Sawyer	7,979	436	5.5%	16,754	628	3.7%
Shawano	19,745	1,375	7.0%	41,755	1,898	4.5%
Sheboygan	59,521	3,507	5.9%	115,050	4,864	4.2%
Taylor	9,140	680	7.4%	20,741	1,161	5.6%
Trempealeau	15,373	936	6.1%	29,395	1,369	4.7%
Vernon	13,522	1,193	8.8%	30,114	2,378	7.9%
Vilas	11,200	749	6.7%	21,662	1,022	4.7%
Walworth	49,855	2,483	5.0%	102,593	3,401	3.3%
Washburn	8,294	563	6.8%	15,929	798	5.0%
Washington	68,242	2,550	3.7%	134,137	3,379	2.5%
Waukesha	206,185	6,680	3.2%	396,449	9,131	2.3%
Waupaca	26,403	1,940	7.3%	52,320	2,655	5.1%
Waushara	11,507	893	7.8%	24,471	1,298	5.3%
Winnebago	83,414	5,316	6.4%	169,032	7,300	4.3%
Wood	38,421	2,927	7.6%	74,998	4,022	5.4%
<b>Total</b>	<b>3,104,537</b>	<b>183,717</b>	<b>5.9%</b>	<b>5,775,028</b>	<b>263,631</b>	<b>4.6%</b>

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



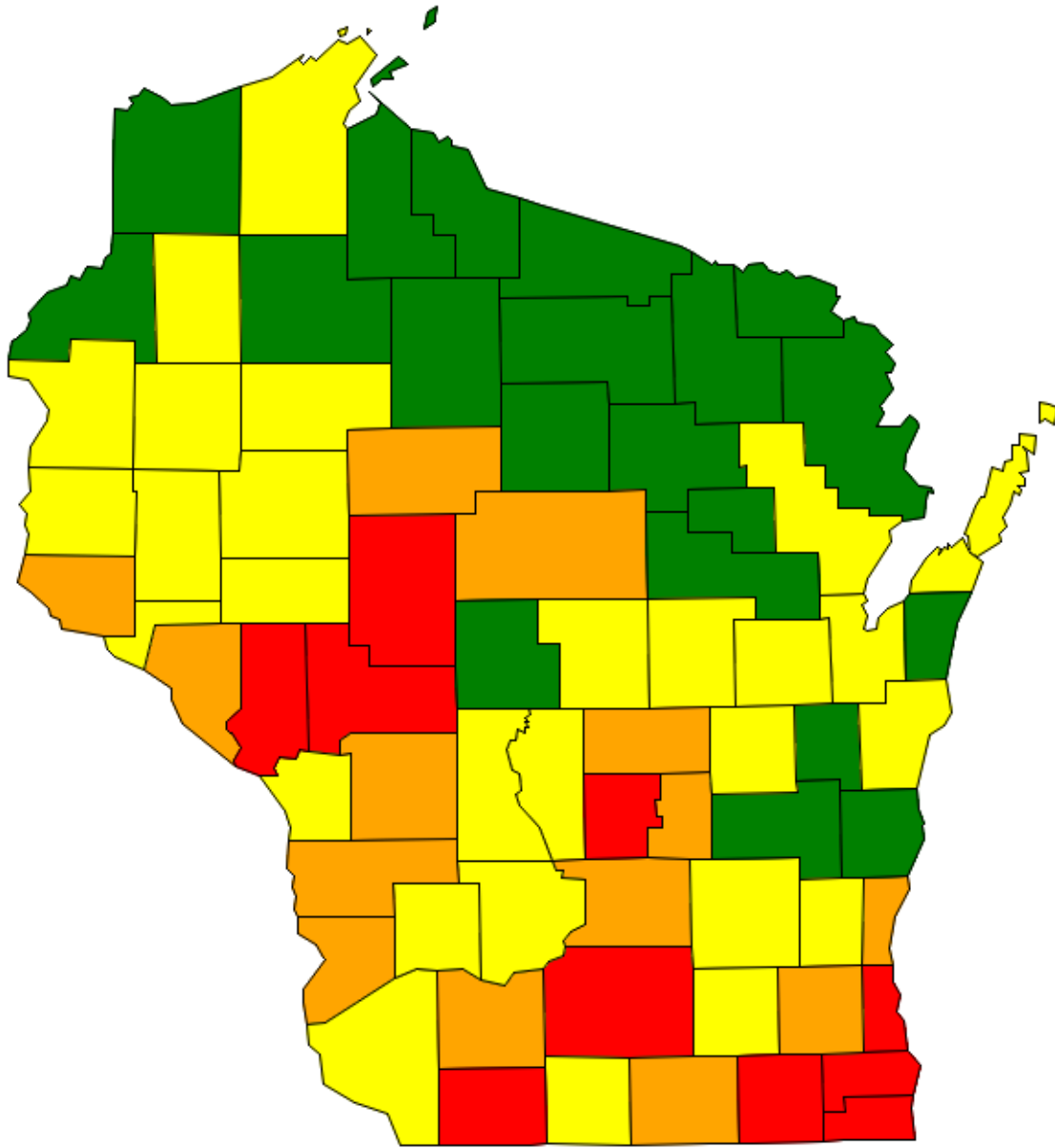
MAP 1  
HOMESTEAD TOTAL CREDIT AMOUNT BY COUNTY, FY17



Total Credit Claimed



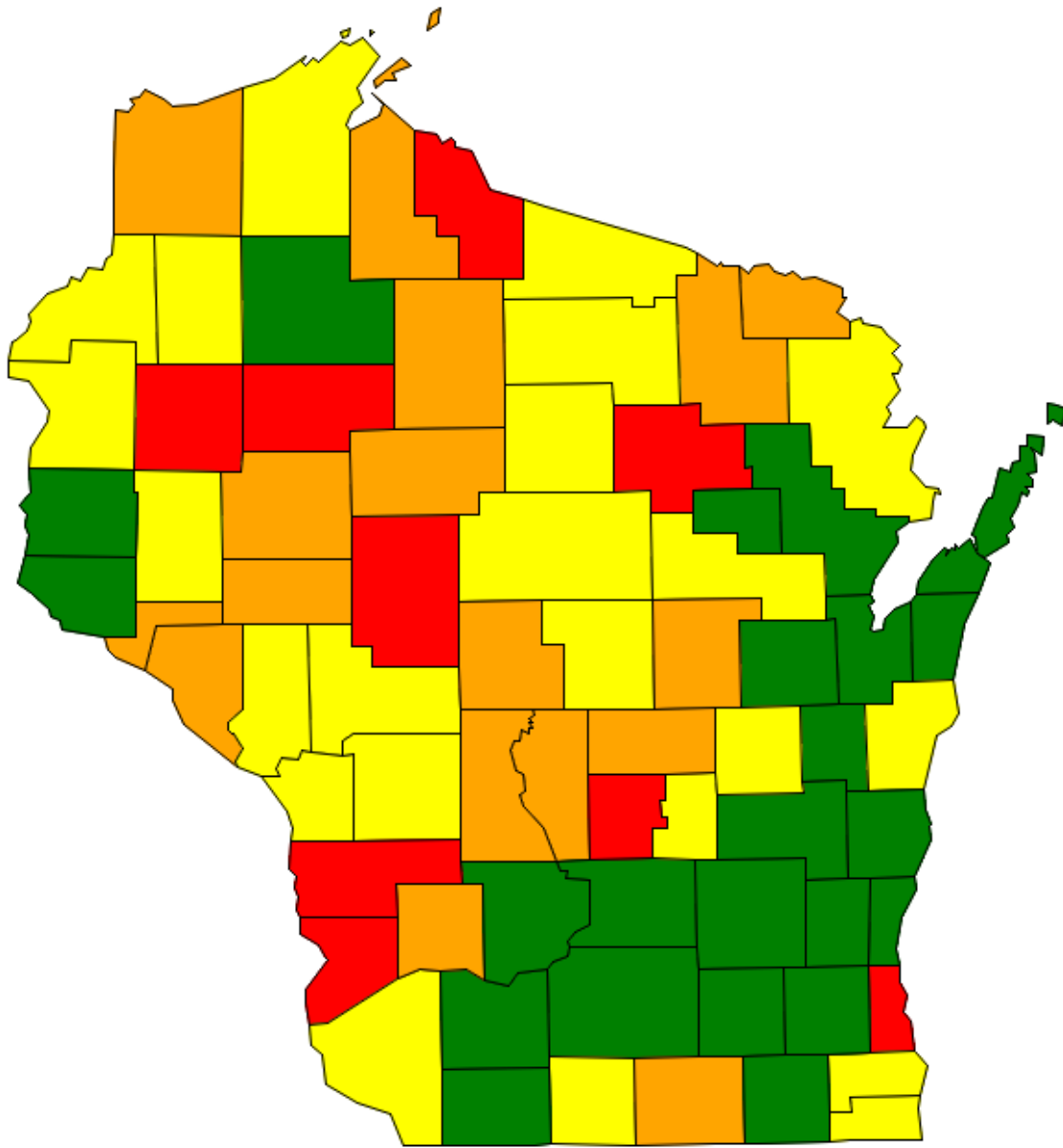
MAP 2  
HOMESTEAD AVERAGE CREDIT BY COUNTY, FY17



Average Credit Claimed

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

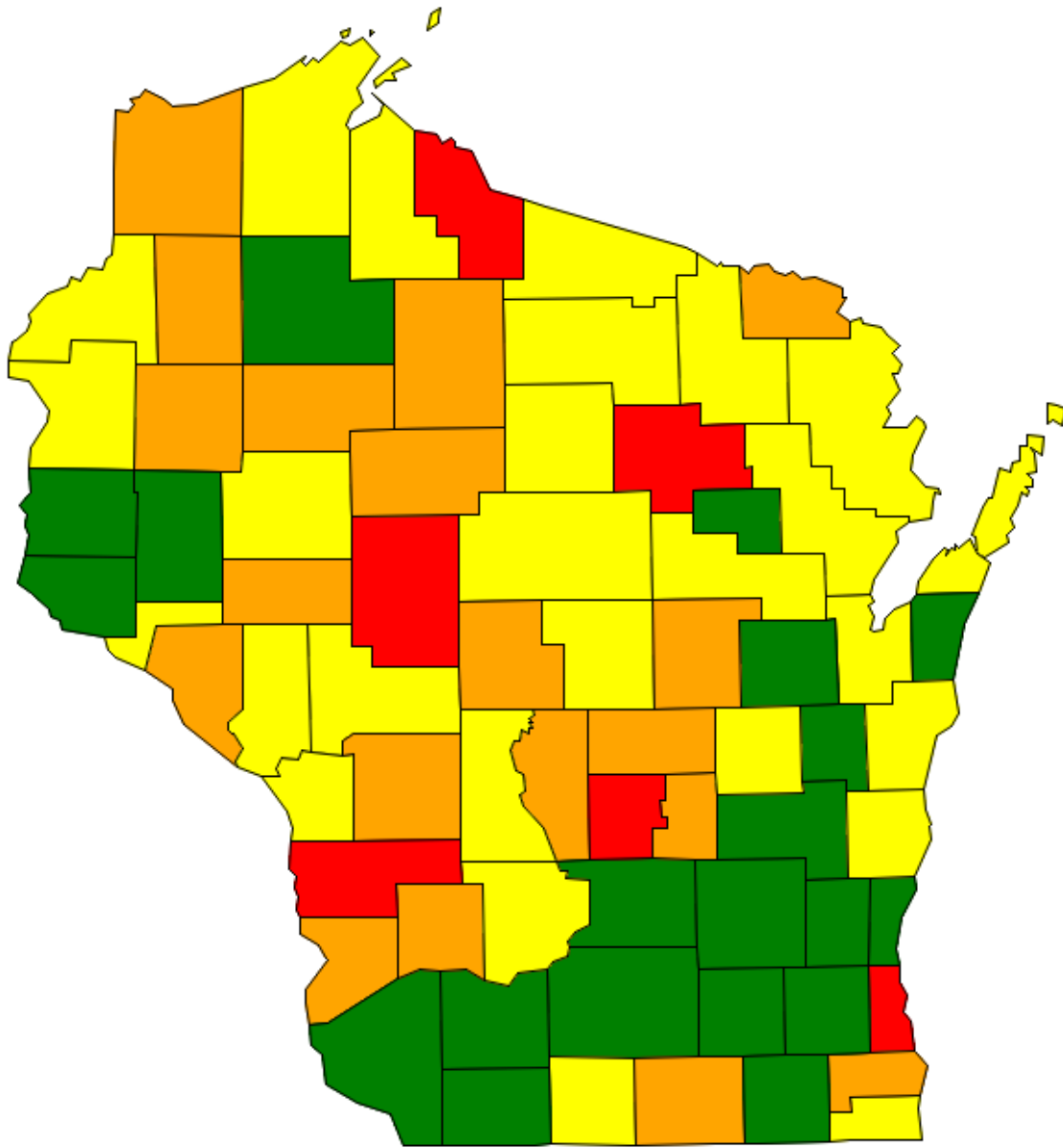
MAP 3  
PERCENT OF RETURNS WITH HOMESTEAD CREDITS BY COUNTY, FY17



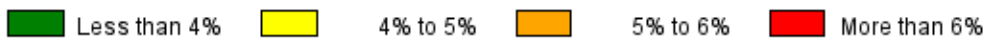
Pct of Returns with Homestead

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

MAP 4  
PERCENT OF POPULATION WITH HOMESTEAD CREDITS BY COUNTY, FY17



Pct of Population with Homestead



## E. APPENDIX

The following table shows the amount of Homestead credit for selected levels of property taxes and household income up to the income ceiling. For example, when income is below \$8,000 and property taxes are \$900, the credit is \$720. When income is \$20,000 and property taxes are \$1,700, the credit is \$32.

TABLE 1A  
HOMESTEAD CREDIT AMOUNTS AT SELECTED LEVELS OF INCOME AND PROPERTY TAXES

Income	Property Taxes								
	\$700	\$900	\$1,100	\$1,300	\$1,450	\$1,500	\$1,700	\$1,900	\$2,100
\$0	\$560	\$720	\$880	\$1,040	\$1,160	\$1,168	\$1,168	\$1,168	\$1,168
8,000	560	720	880	1040	1160	1168	1168	1168	1168
10,000	424	584	744	904	1024	1032	1032	1032	1032
12,000	283	443	603	763	883	891	891	891	891
14,000	143	303	463	623	743	751	751	751	751
16,000	2	162	322	482	602	610	610	610	610
18,000	0	21	181	341	461	469	469	469	469
20,000	0	0	41	201	321	329	329	329	329
22,000	0	0	0	60	180	188	188	188	188
24,000	0	0	0	0	40	48	48	48	48
24,500	\$0	\$0	\$0	\$0	\$5	\$13	\$13	\$13	\$13