

Holperin

Senate

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Property Tax Relief Based on Need Deserves Legislative Attention, Holperin Says

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The only Wisconsin property tax relief program that considers a homeowner's ability to pay has not been adjusted for inflation in almost ten years. "It's time for a change," 12th State Senate district candidate Jim Holperin said today.

"The Homestead tax credit program can currently pay up to 80% of a homeowner's property tax bill, but only those with household incomes of less than \$24,500 a year are eligible," Holperin said. "This income ceiling is too low and needs to be raised to more realistically reflect what inflation has done to the economy since 2000 when the last adjustment was made."

Holperin acknowledged that the nation's recent economic downturn means there will be no growth in state revenue to fund a Homestead adjustment in the near term, but said he favors the income-based and direct-to-the-taxpayer form of tax relief over other methods when a better economy permits it.

"With Homestead, property tax relief goes directly to those who need it most," he said. "It benefits only lower income Wisconsin residents, over 1/3 of whom are older than 65, and prevents people from losing their homes to unaffordably high property taxes."

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Holperin said Wisconsin distributed \$122 million directly to 240,000 low income homeowners and renters in 2006 to help those individuals pay their property taxes.

"Of all the methods our state uses to offset property taxes, including school aid, shared revenue, school tax credits, lottery tax credits and others, Homestead is the only one to target those who need relief the most, yet less is invested in Homestead than in any of the others," he said. "In fact, Homestead payments for property tax relief fell in 2006, partly because income eligibility levels have not been adjusted in nearly a decade."

Holperin said the Homestead program offers the state more “bang for the buck” since it goes only to state resident property owners and only after an application shows their property taxes are high relative to their income. “When there’s less state revenue available for property tax relief purposes, it only makes sense to adequately support the only program that considers need above other criteria,” he concluded.