



Frequently Asked Questions about the Homestead Credit

What is the Homestead Credit?

The Homestead Credit is a tax benefit for renters and homeowners with low or moderate incomes. It is designed to lessen the impact of rent and property taxes. Qualifying persons who file state returns get back some or all of their state taxes withheld during the year. Those who do not have earnings, or whose earnings were too small to have taxes withheld, can get extra cash back from the State.

Am I eligible for the Homestead Credit?

To qualify for the Homestead Credit, you must meet several criteria:

- 1) You must have rented or owned a home (and lived in the home) in Wisconsin during 2008. The home may be a house, an apartment, a rented room, a mobile home, a farm, or a nursing home room. The home may not be exempt from property taxes.
- 2) You must have been a legal resident of Wisconsin for all of 2008.
- 3) Your household income must have been less than \$24,500 for 2008. The income limit may be lower, depending on how much you paid in rent or property taxes.
- 4) You must have been at least 18 years old on December 31, 2008.
- 5) You cannot be claimed as a dependent on anyone else's federal income tax return for 2008 (unless you are at least 62 years old).

What counts as household income?

Household income includes all income reportable for tax purposes, plus certain nontaxable income, less a deduction of \$250 for dependents who lived with you for at least six months of 2008. Examples of nontaxable income counted in 'household income' include Social Security, Unemployment Compensation, child support, IRA contributions, and nontaxable scholarships.

How much can I get back from the Homestead Credit?

If you qualify, the amount of credit depends on your income and your rent or property taxes. The maximum Homestead Credit is \$1160.

How can I claim the Homestead Credit?

Complete a Wisconsin Homestead Credit Claim (Schedule H-EZ or Schedule H) to get the Homestead Credit. If you file a Wisconsin income tax return, you should attach Schedule H or H-EZ to the return. If you are not required to file an income tax return, you may file the Homestead Credit Claim by itself. If you do file an income tax return, you must use Form 1, 1A, or INPR (not WI-Z).

What do I need to include with my Homestead Credit Claim?

If you own your home, attach a legible copy of your property tax bill. If you rent your home, attach a rent certificate. The rent certificate is a tax form that your landlord needs to complete and sign. It includes information about the home you rent and the amount of rent that you paid.

What if my landlord refuses to sign the rent certificate?

If your landlord refuses to sign your rent certificate, you should check the box to indicate that in the 'claimant' section of the certificate, and complete lines 1 through 13c. Attach the rent certificate, along with copies of your cancelled checks or money order receipts, to verify your rent paid for 2008.

What if I received cash welfare benefits during 2008?

Cash welfare benefits can reduce your Homestead Credit. The benefits that affect your Homestead Credit include Wisconsin Works (W-2), county relief, and Kinship Care. Your countable rent or property taxes are reduced by 1/12 for each month that you received cash welfare benefits during 2008. Schedule H includes information on how to handle this.

If I did not file for the Homestead Credit in previous years, can I do so retroactively?

Yes, you can file for the Homestead Credit for up to four years after the original due date of the tax return! If you are not required to file an income tax return for the year that you are claiming the Homestead Credit, just file Schedule H and supporting documents (rent certificate or property tax bill). If you are claiming the Homestead Credit for a year in which you already filed a Wisconsin income tax return, write "Income Tax Return Separately Filed" at the top of Schedule H. Attach a complete copy of your Wisconsin income tax return, including copies of all documents originally filed with that return. Write "Duplicate" at the top of the Wisconsin tax return. Send Schedule H (and duplicate tax forms) to the Wisconsin Department of Revenue, P.O. Box 34, Madison, WI 53786-0001.

What do I need to bring to my tax preparer or VITA site?

Tax forms and statements:

- Copy of last year's return, if any;
- W-2 forms from all 2008 jobs;
- All tax forms received in mail including 1099-G (unemployment), 1099-INT (bank interest), 1099-MISC (miscellaneous income), and W-2G (gambling winnings);
- Record of any estimated tax payments made for 2008;

Social Security numbers:

- Social Security numbers for all household members, including children (unless born after November 2008);
- For VITA sites with electronic filing: social security cards for all on tax return;

Additional information for Homestead Credit:

- 2008 property tax bill (if homeowner);
- Completed rent certificate (if renter);
- Record of W-2 cash benefits received each month (if any);

Additional information for Child and Dependent Care Credit:

- Name, address, and tax identification number of child care provider (Social Security number if private individual);
- Amount you paid to each child care provider in 2008;
- Other information
- Back account information if seeking direct deposit of refund

For more information, see <http://www.uwex.edu/ces/econ>

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