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-- Please add local contact information.

-- Please remember to alter the quotes if you substitute your own name in the release.

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Your family may qualify for the Homestead Credit

NEILLSVILLE, Wis.—“Households with an income less than \$24,500 for 2005 may qualify for Wisconsin’s Homestead Credit,” says Gayle Rose Martinez, University of Wisconsin-Extension Family Living Educator for Clark County [YOUR NAME, TITLE, COUNTY]. The Homestead Credit is a tax credit for renters and homeowners with low or moderate incomes.

The Homestead Credit is designed to lessen the impact of rent and property taxes. Qualifying persons can 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 still file and get cash back from the state of Wisconsin.

To qualify, an applicant must have been a legal resident of Wisconsin for all of 2005 and must have rented or owned a home and lived in the home in Wisconsin during 2005. The home may be a house, an apartment, a rented room, a mobile home, a farm, or a nursing home. The home may not be exempt from property taxes. The applicant must be at least 18 years by the end of 2005 and cannot be claimed as a dependent on anyone else’s federal income tax return for 2005 (unless the claimant is at least 62 years old).

Household income counted in the \$24,500 includes all income reportable for tax purposes, plus certain nontaxable income. Examples of nontaxable income counted in “household income” for this credit include Social Security, Unemployment Compensation, child support, IRA contributions and nontaxable scholarships. A \$250 deduction for each dependent (other than the taxpayer and spouse) who lived with the applicant for at least six months of 2005 can be subtracted from the household income before the final income is determined.

Cash government benefits can reduce the Homestead Credit. The benefits that affect the Homestead Credit include Wisconsin Works (W-2), county relief, and Kinship Care. Countable rent or property taxes are reduced by 1/12 for each month in which cash welfare benefits were received during 2005. The Schedule H Wisconsin Homestead Credit includes information on how to handle this.

To claim the Homestead Credit, complete a Wisconsin Homestead Credit Claim (Schedule H or “Homestead-EZ”) form. You may attach that form to the Wisconsin income tax return on Form 1 or 1A, or 1NPR.

Applicants who own their home should attach a legible copy of their property tax bill. Applicants who rent their home should attach a rent certificate (found in the Schedule H booklet), which the landlord needs to complete and sign.

Taxpayers who might have qualified in the past, but did not claim the credit may file amended forms for 2001, 2002, 2003 and 2004.

For further information on Homestead Credit, contact your county UW-Extension office [YOUR LOCAL CONTACT INFO.] If you are over 60, call AARP at 1-888-277-7669, or your county department of aging [PROVIDE PHONE NUMBER] for more information.

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