

THE VOICE OF THE WISCONSIN HOMEOWNER'S ALLIANCE

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Homeowner Insights for Wisconsin Decision Makers

The Wisconsin Homeowners Alliance (WHA) is a 501(c)(4) organization dedicated to representing the interests of Wisconsin homeowners and protecting Wisconsin's quality of life one home at a time. As part of this effort, the WHA conducts a series of statewide public opinion surveys designed to help us understand what homeowners are thinking and talking about. This monthly publication is intended to share issues of importance and concern to homeowners with decision makers around the state.

Reduce Reliance on the Property Tax, but Preserve and Protect Local Control

Rising property values coupled with concerns about tax fairness and affordability and local control mix with a dose of public cynicism to drive homeowner attitudes about how to pay for local services and public education

We reported late last year that nearly half of Wisconsin homeowners said their property values had increased either a great deal (16%) or a lot (32%). But half of those folks said the increased value had actually hurt them because it drove their property taxes up. That may explain why, when we asked homeowners in January of this year to tell us which of the three main taxes they pay here in Wisconsin they thought was the most unfair, 38 percent picked the property tax. About a third said all the taxes they paid were fair, 16 percent said state income taxes were unfair and 5 percent said the sales tax was unfair. Interestingly, while nearly half (45%) of those 35 to 54 years of age rate the property tax the most unfair tax they pay, only a third of those 55 and older do so.

When asked why they thought the property tax was the least fair of the taxes they paid, 47 percent said "because it's based on the assessed value of your home rather than on your income and therefore doesn't reflect your ability to pay?" while 36 percent said "because it costs you too much for the services or value you get from it?"

Almost all the homeowners we talked with (92%) agreed that property taxes were too high. More than one in three (38%) said that despite that, property taxes were the most logical way to pay for local services, but more than half of our homeowners disagreed, saying either that "Property taxes are now too high for most people, and we have to find alternative or additional ways to fund local government" (28%) or that, "Property taxes are now too high and the way to deal with the rising cost of local government is to freeze property taxes" (26%).

Given these concerns, it is not surprising to discover that nearly half of Wisconsin homeowners either support strongly (17%) or support somewhat (32%) shifting the cost of local government and services and K-12 education from the property tax to the sales tax or the state income tax. Of those who opposed the move (39%), nearly half (46%) said they did so because they think "it's important to keep control of local government and schools in the hands of local taxpayers." One in five of those opposed did so because they thought "other taxes would go higher and property taxes would not really go down." And, a quarter (27%) opposed a shift because they were persuaded that even if property taxes did go down, people would wind up paying more total taxes. It is also worth noting here that nearly half (44%) of the people who said that they thought property taxes were the most logical way to pay for local services support shifting the cost of local government and services and K-12 education to either the sales tax or the state income tax.



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Editor's Note: In our latest visit to Wisconsin's kitchen tables we found that a lot of Wisconsin homeowners think property taxes are the least fair of the taxes they pay and are worried about people's ability to afford them. They'd like to see some, if not all, of the cost of local services and public education shifted to some other tax, but others are concerned that such a shift would reduce local control and oppose the idea. People on both sides of the issue think something needs to be done and would support an effort to restructure the property tax so that ability to pay was a consideration.

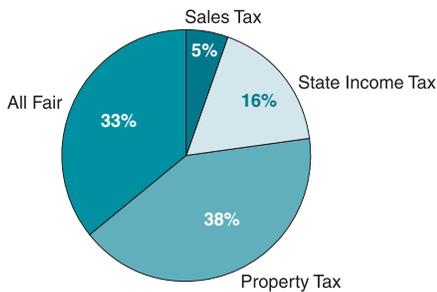
All of these concerns and attitudes combine to produce significant support for basing home property taxes on both the value of the property owned and the income level or ability of the homeowner to pay. Nearly a third (31%) of all homeowners said they would strongly support such a proposal while another 26 percent said they would support it somewhat. Slightly more than a third (36%) said they would oppose such a proposal, but only one in five (22%) said they would oppose it strongly. Surprisingly, age is not a factor in support for the proposal. Not surprisingly, income is.

Two-thirds (67%) of those with annual incomes of less than \$60,000 support the proposal while less than half (48%) of those with incomes in excess of \$60,000 a year support it.

All in all, it is hard not to conclude that Wisconsin homeowners, feeling pressured by rising prices and concerns about the economy (see January 2007 issue of Wisconsin Home), are looking for relief from property taxes they believe are too high. What is equally apparent is that they want to maintain local control of the local services and schools. We'll have to see if our elected officials think this puts them between a rock and a hard place or a call to think more creatively about how to fund local services and public education.

THE FINDINGS

Which, if any of the taxes you pay here in Wisconsin would you say is the most unfair tax you have to pay?



THE FINDINGS

And which of the following reasons comes closest to why you would describe the property tax as unfair?

