

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100099	Claiming Homestead Credit - Common Questions

State of Wisconsin
Department of Revenue

Claiming Homestead Credit

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

Watch our Understanding the Wisconsin Homestead Credit video

(En Español)

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1. Do I qualify for homestead credit?

To qualify for homestead credit for 2019 you must meet the following requirements:

- o You are a legal resident of Wisconsin for all of 2019, from January 1 through December 31.
- o You are 18 years of age or older on December 31, 2019.
- o You have less than \$24,680 in household income for 2019. (See the definition of "household income".)
- o You meet **one** of the following conditions:
 - You (or your spouse, if married, and reside in the same household) have positive earned income during the year. (See definition of "earned income".)
 - You (or your spouse, if married, and reside in the same household) are disabled. (See definition of "disabled".)
 - You (or your spouse, if married) are 62 years of age or older at the end of 2019.
- o You own or rent your Wisconsin homestead that is subject to Wisconsin property taxes during 2019. (Persons who reside in mobile or manufactured homes or nursing homes that are subject to property taxes may also qualify to file a claim. See the definition of "homestead".)
- o You are not claimed as a dependent on someone else's 2019 federal income tax return. (Note: This limitation does not apply if you were 62 years of age or over on December 31, 2019.)
- o You did not live for the entire 2019 year in housing that is exempt from property taxes. (Note: Property owned by a municipal housing authority is not considered tax-exempt for homestead credit purposes if that authority makes payments in place of property taxes to the city or town in which it is located. If you live in public housing, you should check with your rental manager.)
- o At the time of filing a claim, you are not living in a nursing home and receiving Title XIX medical assistance.
- o You are not claiming Wisconsin farmland preservation credit for 2019.
- o You are not claiming the veterans and surviving spouses property tax credit on 2019 real estate taxes.
- o Only one claim may be filed per household. A married couple residing together is one household. (See the definition of "household".)
- o You are not filing a claim on behalf of a person after his or her death.
- o You have not received Wisconsin Works (W2) payments of any amount or county relief payments of \$400 or more for each month of 2019.

Note: If you received any amount of a Wisconsin Works (W2) payment in 2019 or county relief payments of \$400 or more for any month in 2019, your property taxes and rent have to be reduced by one-twelfth for each month you received any of these benefits.

2. How do I claim homestead credit?

If you meet all of the qualifications, you must complete a Wisconsin Homestead Credit Claim, [Schedule H or Schedule H-EZ](#), to determine the amount of any benefit available. Please note that you may meet all of the qualifications but still not receive a credit because the credit is based on the relationship of your household income to the amount of your allowable property taxes and/or rent. If you do qualify for a credit, you must submit a copy of your 2019 property tax bill (if you owned and occupied your home) or an original rent certificate signed by your landlord (if you rented your home) along with your Schedule H or H-EZ. The filing deadline for a 2019 claim is April 15, 2024, for most claimants. Do not file your 2019 Schedule H or H-EZ before January 1, 2020.

3. Which form do I use to file my homestead credit claim (Schedule H-EZ or Schedule H)?

You may file [Schedule H-EZ](#) if:

- You (and your spouse, if married) have taxable and nontaxable income only from the following sources:
 1. Wages, salaries, tips, etc. (if any of your wages, salaries, tips, etc., are not taxable to Wisconsin, you cannot file on Schedule H-EZ)
 2. Interest and dividends
 3. Unemployment compensation
 4. Pensions, annuities, and other retirement plan distributions
 5. Social security benefits (including federal and state SSI, SSI-E, SSD, and caretaker supplement payments)
 6. Railroad retirement benefits
 7. Alimony, child support, and family maintenance
 8. Wisconsin Works (W2), county relief, kinship care, and other cash public assistance
 9. Gambling winnings (if your gambling winnings are reported on federal Schedule C or C-EZ, you cannot file on Schedule H-EZ)
- During 2019 you (and your spouse, if married) did not repay any amount that was included as nontaxable household income on a prior year's homestead credit claim.
- You did not become married or divorced during 2019.
- You (and your spouse, if married) were a legal resident of Wisconsin from January 1 through December 31, 2019.
- You (and your spouse, if married) did not maintain separate homes during any part of 2019 (including one spouse in a nursing home).
- Your home was used only for personal purposes while you lived there in 2019 (for example, no rental or business use, or use of a separate unit by others rent free).
- Your home was located on one acre of land or less.
- You did not sell your home during 2019.

If you cannot file on Schedule H-EZ, you must file on [Schedule H](#).

4. What is the deadline for filing my 2019 homestead credit claim?

For most claimants, the deadline for filing a 2019 Schedule H or H-EZ is April 15, 2024. If you are a taxpayer with a fiscal taxable year (one ending on a date other than December 31), your deadline for filing Schedule H or H-EZ is 4 years, 3 1/2 months after the end of the fiscal taxable year to which the claim relates.

5. If I qualify for homestead credit for years prior to 2019, can I file a homestead credit claim for those years?

Homestead credit claims for prior years can be filed up until the filing deadline for each year's claim:

Claim Year	Filing deadline
2018	April 15, 2023
2017	April 15, 2022
2016	April 15, 2021
2015	April 15, 2020

Note: If any due date falls on a Saturday, Sunday, or legal holiday, use the next business day.

The deadlines for 2014 and prior year homestead credit claims are past and claims for those years can no longer be filed.

6. Where can I obtain a homestead credit booklet with forms and instructions?

You may download or request forms and instructions on the department's website. You may obtain a Wisconsin Homestead Credit booklet from any Department of Revenue office located throughout the state. Forms are also available at many libraries.

7. Where can I obtain assistance in preparing my homestead credit claim?

Wisconsin residents can have their taxes prepared for free at any IRS sponsored Volunteer Income Tax Assistance (VITA) site or at any AARP sponsored Tax Counseling for the Elderly (TCE) site. VITA income tax assistance is available for:

- o Low to moderate income individuals
- o Individuals with disabilities
- o Non-English speaking individuals
- o Military personnel
- o Senior individuals
- o Individuals who qualify for the homestead credit or the earned income tax credit

To locate a VITA or TCE site:

- o In Wisconsin, call 1 (800) 906-9887
- o On the web, visit revenue.wi.gov and type "VITA sites" in the Search box
- o Call the AARP at 1 (888) 227-7669
- o Call "211" for local free tax sites

Additionally, if you have a question about your Homestead credit claim:

- o Contact the department's Customer Service Bureau at (608) 266-2772.
- o Email DORHomesteadCredit@wisconsin.gov
- o Phone (608) 266-8641 (Madison)
- o Write to:
Mail Stop 5-77
Wisconsin Department of Revenue
PO Box 8949
Madison WI 53708-8949
- o For refund inquiries, see filed electronically or filed by paper

8. If my homestead credit is denied or adjusted and I disagree with the denial or adjustment notice, what should I do?

If you disagree with the denial or adjustment notice, you must appeal within 60 days of your receipt of the notice. Your appeal should explain clearly and concisely why you think the department's action is incorrect. Describe each item you feel is incorrect, your reason for the

objection, and include any documents you have to support your objection.

Include your tax account number and the tax period of the notice in all correspondence. You must also send a copy of the notice with your appeal when sending it by mail or fax.

You may file an appeal in one of the following ways:


- Send your appeal to:
Mail Stop 5-144
Wisconsin Department of Revenue
PO Box 8906
Madison, WI 53708-8906
- Fax your appeal to (608) 267-0834
- File your appeal online at [My Tax Account](#).

If no appeal is received within 60 days of receipt of the denial or adjustment notice, the denial or adjustment becomes final and conclusive.

After your appeal is received, it generally takes eight to twelve weeks for you to receive the results of the department's review of your appeal.

9. What should I do if I already filed my Wisconsin income tax return and now want to file my homestead credit claim? What should I attach to my separately filed homestead credit claim?

If you previously filed your Wisconsin income tax return and now wish to file a claim for homestead credit, you should write "Income Tax Return Separately Filed" on the top of your Schedule H or H-EZ. Before mailing your Schedule H or H-EZ, attach the following behind your claim:

- Your completed 2019 rent certificate(s) and/or a copy of your 2019 property tax bill(s).
- Other homestead credit notes, schedules, or legal documents.
-  [Schedule GL](#), *Gain or Loss on the Sale of Your Home*, if you sold your principal residence during 2019.
- Copies of any wage statements, Forms W-2, W-2G, 1099-R, and 1098-T.

Delays to your refund will happen if all the proper documents are not attached to your homestead credit claim.

10. Do I need to include the interest from my funeral trust in household income?

Interest from a funeral trust is taxable income. However, you must determine if the interest income is taxable income for you or for the trust. If it is taxable income for you, the interest income must be included in your taxable income on line 7 or line 8a. If it is taxable income for the trust, you do not need to include the interest income in your household income.

To determine whether the funeral trust interest is taxable income for you or the trust:

- If the trustee of the trust elects to have the trust treated as a "qualified funeral trust" (QFT) under section 685 of the federal Internal Revenue Code (IRC), the trust is taxed on the interest income generated by the trust. In this case, the interest income is not includable in your taxable income or household income for homestead credit purposes.
- When an IRC section 685 election has not been made, the interest income from a funeral trust is includable in your taxable income on line 7 or line 8a for homestead credit

purposes.

See additional information regarding funeral trust interest at "[Taxability of Funeral Trust Interest](#)" in Wisconsin Tax Bulletin 134 (April 2003, page 5).

11. Do I need to include nontaxable military compensation received from military duty in a combat zone in household income?

All nontaxable military compensation must be included in household income including the military pay excluded from gross taxable income because the services were performed in a combat zone. If you have nontaxable military compensation, you cannot file on Schedule H-EZ. You must file on Schedule H and include the income on line 9h.

12. I have multiple businesses. How do I figure the amount of disqualified loss that is added back to household income?

When figuring the amount of disqualified loss to be added back to household income, consider each business separately. Do not net a business with a gain against a business with a loss to figure the amount of loss to add back to household income.

13. My rental property is subject to the passive activity loss rules. Do I need to add back both the allowed and unallowed losses as disqualified loss to household income?

Only losses included in your taxable income are added back to household income. Therefore, if you have unallowed losses, these amounts are not added back to your household income until the year you deduct the loss.

14. I am a farmer. Do I need to add back disqualified loss to my household income?

If you are a farmer, your primary income is from farming, and the farming activity generated less than \$250,000 in gross receipts, you do not have to add back any disqualified loss to household income. Your primary income is from farming if the net income from your farming activity is greater than any other source of income received (such as wages).

15. How do I amend my Schedule H or H-EZ to correct an error made on the original Schedule H or H-EZ?

If you find that you made an error on your original Schedule H or H-EZ, complete another Schedule H or H-EZ. Check the space at the top of your corrected Schedule H or H-EZ to designate it as an amended return. Fill in lines 1a through 19 (lines 1a through 14 of Schedule H-EZ) using the corrected amounts of household income, property taxes, and rent.

Include with your amended Schedule H or H-EZ a copy of the property tax bill(s) and/or the original rent certificate(s) for any additional property taxes and/or rent that is claimed.

If you filed a Schedule H or H-EZ by itself:

Sign and date your amended Schedule H or H-EZ in the space provided. If you and your spouse are residing together, your spouse must also sign.

Include with your amended Schedule H or H-EZ an explanation of the changes you made and the reasons for those changes.

If your amended Schedule H or H-EZ has increased the amount of your homestead credit, you will receive a refund for the additional amount. If your amended Schedule H or H-EZ has decreased the amount of your homestead credit, you will owe the difference between the

amount shown on the amended Schedule H or H-EZ and the amount of homestead credit previously refunded to you. If you owe an additional amount, include your check or money order, made payable to the Wisconsin Department of Revenue.

Mail your amended Schedule H or H-EZ to:

Wisconsin Department of Revenue
PO Box 34
Madison WI 53786-0001

If you also filed Form 1, 1A, or 1NPR along with your Schedule H or H-EZ:

Your amended Schedule H or H-EZ should be attached to a completed Form 1, 1A or 1NPR that has been marked as amended. See the instructions for the form that is being amended for information as to how to complete the filing of your amended Schedule H or H-EZ. Beginning in tax year 2018, Form 1A is no longer available. Your amended Schedule H or H-EZ should be attached to a completed Form 1 or 1NPR that has been marked as amended.

Note: If you received a Notice of Adjustment from the Department of Revenue because your homestead credit was adjusted and/or denied and you did not file a written appeal within 60 days of receiving the notice, the determination is final and conclusive. You may not file an amended Schedule H or H-EZ for the same issue(s) the Notice of Adjustment addressed.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 16, 2019: Sections 71.03, 71.07, 71.52, 71.53, 71.54, 71.55 and 71.58, Wis. Stats., and secs. Tax 1.14, 14.01, 14.02, 14.03, 14.04 and 14.05, Wis. Adm. Code, and 26 U.S. Code § 7503.

Laws enacted and in effect after October 16, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to October 16, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

MS 5-77
WISCONSIN DEPARTMENT OF REVENUE
PO Box 8949
Madison WI 53708-8949
Phone: (608) 266-8641
Fax: (608) 267-1030
Email additional questions to DORHomesteadCredit@wisconsin.gov

Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

Guidance Document Number: 100099

October 16, 2019

Related Links

- [Claiming Homestead Credit | En Español](#)
- [Definitions | En Español](#)
- [Electronic Filed Claims](#)
- [Paper Filed Claims](#)
- [Property Taxes and Rent Special Situations](#)

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