



RACHAEL A. CABRAL-GUEVARA

STATE SENATOR • 19TH SENATE DISTRICT

Testimony before the Senate Committee on Universities and Revenue

Senator Rachael Cabral-Guevara

August 23, 2023

Hello, Chairman Hutton and members of the committee. Thank you for allowing me to provide testimony on Senate Bill 229, an important piece of legislation that will give much needed tax relief largely for those on fixed incomes.

Property tax bills are too high. A housing shortage paired with new property assessments have only resulted in exponentially growing tax bills. To compound the issue, many localities have been approving larger referenda than ever before. Though the state has taken steps to mitigate rising property taxes, there are many people still struggling to make ends meet.

Property owners on fixed incomes—especially those age 65 and older—have limited options in an economy where record inflation rates remain persistent. The median price of a home has doubled in the last 10 years according to the Wisconsin REALTORS Association*, with no slowdown in sight. Many have remained in their homes for a decade or more, paid in to the local economy, and supported local programs and projects. Moving is neither economically feasible or desired for those 65 and older.

Under this bill, property owners 65 and older can claim up to \$500 in a refundable tax credit. Beyond giving needed relief, this tax credit would also help slow down the move from homes to apartments, an already overwhelmed assisted living setting, or moving in with loved ones.

I am hopeful you will be able to support this commonsense piece of legislation that gives property tax relief to some of our most vulnerable Wisconsinites.

* https://www.wra.org/Resources/Property/Wisconsin_Housing_Statistics/



SHAE SORTWELL

STATE REPRESENTATIVE • 2nd ASSEMBLY DISTRICT

Hearing Testimony
Senate Committee on Universities and Revenue
August 23, 2023
Senate Bill 229

Chairman Hutton and members of the Senate Committee on Universities and Revenue – thank you for giving me the opportunity to speak on Senate Bill 229, relating to a tax credit for certain property tax increases and making an appropriation (i.e. senior property tax relief).

Skyrocketing inflation and shrinking retirement savings mean seniors are struggling to get by more than ever. Last year, nearly half of seniors reported visiting a food pantry or applying for food stamps. I continue to hear from more and more constituents about their concerns on soaring property tax bills. Increased costs on a fixed income are unsustainable for Wisconsin’s seniors.

SB 229 provides a maximum \$500 annual refundable individual income tax credit for Wisconsinites of federal retirement age (FRA) to cover property tax increases on their primary residence since they have reached FRA or since they moved into a new Wisconsin home after reaching FRA.

Under the bill, the “base year” for the basis of the property taxes is the most recent of either of the following:

- 1) If a claimant has not moved to a different primary residence after first claiming the credit, the year immediately before the year in which the claimant first claimed the credit
- 2) If a claimant moved to a different primary residence after first claiming the credit, the first year for which property taxes are levied on that different primary residence for the claimant

To limit the fiscal impact of this legislation, individuals may not claim this credit and also the school property tax credit, homestead tax credit, or veterans and surviving spouses property tax credit. However, the credit provided under this bill could be greater than the others and therefore more beneficial.

This important investment in Wisconsin seniors will ensure property tax increases won’t drive our seniors into poverty or force them to abandon their homes.

Lastly, I will note that the introduced amendment addresses technical adjustments recommended by the Department of Revenue.

I want to thank the committee for your time and consideration. I am happy to answer any questions members of the committee may have.



TO: Members, Senate Universities & Revenue
FROM: Paul Rozeski, Director of Government Affairs and Member Services
DATE: August 23, 2023
RE: Senate Bill 229

Thank you to Chairman Hutton, Vice-Chair James, and committee members for hearing public testimony on Senate Bill 229. Thank you also to Representative Cabral-Guavara for authoring this bill and putting forward this effort to provide property tax relief to our state's home owning senior citizens.

I appreciate the opportunity to testify today on behalf of the thousands of small businesses, farmers, and homeowners that make up the membership of Wisconsin Property Taxpayers to register our full support of this effort to help ease the impact of property tax increases on a portion of our population that is more likely to be vulnerable to financial burdens because of the fixed or reduced income of retirement.

We have all experienced a significant increase in the cost of everyday living expenses, it is also increasing our home values. On August 15th, The Department of Revenue's Equalized Values Report for 2023 was released. The value of residential real estate in Wisconsin in one year jumped 16%. Jumps in home values could trigger a quicker cycle of property re-assessments, and in turn, another significant jump in property taxes. This will speed up the possibility that our retired and elderly citizens are financially unable to maintain their quality of life or be financially forced to sell their home. Currently one out of every two households do not have enough retirement savings to maintain a similar quality of life in retirement and this bill can at least help maintain the level those households did land at.

It's also worth noting that this bill is another step in the right direction to adjust the disproportional burden that property taxes have always had in Wisconsin without taking away revenue from our local municipalities.

At this time, I invite any questions from members of the committee.