

FISCAL RESEARCH CENTER

A TARGETED PROPERTY TAX RELIEF PROGRAM FOR GEORGIA

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I. Introduction

There has been talk recently about providing property tax relief in Georgia. One of the options that has been discussed is to create a targeted property tax relief program in which the state would give refunds to households whose property tax payments are deemed too high relative to their income. Such programs are commonly referred to as property tax “circuit breaker” programs. This report provides a background on circuit breaker programs, including a discussion of how other states use them and how a circuit breaker program could be structured in Georgia to provide property tax relief. We also provide estimates of the cost of such a program, of the number of eligible recipients, and of the average credit received by recipients.

II. What are Circuit Breakers?¹

Circuit breakers get their name because they are intended to prevent households from being overloaded with property taxes just as an electrical circuit breaker prevents overloads of electricity. Once property taxes reach a certain percentage of a household's income, they are "shut off" in full or in part via refunds from the state government. Some states have property tax rebate or credit programs that are commonly referred to as circuit breakers but are not based on the extent to which property taxes exceed some percent of household income.² True circuit breaker programs, which are used in 17 states and the District of Columbia,³ only provide refunds to households whose property taxes exceed a percentage of income specified by the state. The specified percentage varies across states and often varies by income within a state. Additionally, all states with a circuit breaker program other than Vermont impose a maximum credit amount, with the maximum credit varying substantially across states from a low of \$200 in Oklahoma to a high of \$2,100 in Oregon.

The general formula for circuit breaker programs is:

Credit = X of [Property Tax - W of Income], up to a maximum credit of M, where W is the percentage of income that property taxes should not exceed, M is the maximum credit, and X is an adjustment factor used in some states to give larger credits to certain groups. For example, in Michigan X equals 60 percent for most taxpayers, but for senior citizens X equals 100 percent. In other words, general taxpayers receive a credit equal to 60 percent of the amount by which property taxes are greater than a certain percent of the household's income, while seniors receive 100 percent of the amount by which property taxes are greater than a certain percent

¹ The discussion of existing property tax circuit breaker programs draws heavily on Lyons, Farkas, and Johnson (2007).

² For example at least four states provide lump-sum payments to low-income residents as part of a property tax relief measure. However, the payments do not vary based on the amount of property tax paid and do not vary based on the extent to which property tax payments exceed some percent of income. At least another eight states give rebates equal to a percentage of property taxes paid, where the percentage decreases with income level. However, while these payments are based on property taxes paid, they do not vary based on the extent to which property taxes exceed some percent of income.

³ Henceforth, we treat the District of Columbia as a state.

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of household income. Some states also provide a higher adjustment factor to persons with lower income, thus adding a further element of progressivity to the circuit breaker program. However, in many states the adjustment factor is simply equal to 100 percent for all eligible taxpayers.

States can either administer the circuit breaker program as an income tax credit (usually refundable) or as a stand-alone program where eligible taxpayers receive a refund check.⁴ Only one third to one half of eligible taxpayers actually participates in stand-alone programs, due in part to a lack of awareness. Of course, not all households file income tax returns either. Several states make it possible to claim the credit either on an income tax return or on a separate circuit breaker form for nonfilers.

⁴ A third option used by Maryland is to give a credit against future property tax bills for homeowners, while renters receive a rebate check. A disadvantage is that homeowners lose the credit when they move.

III. Why Circuit Breakers?

Circuit breakers are effective tools for providing concentrated property tax relief to those who are the most burdened by property taxes as a percent of income. A major concern with property taxes is that some households, such as the elderly or those with low incomes, pay a relatively high percentage of their income in property taxes. According to a study by the Institute on Taxation and Economic Policy (2003), low-income families in Georgia on average paid property taxes equal to 3.2 percent of their income, while the corresponding amount is 2.0 percent for middle-income families and 0.9 percent for the wealthiest households.

Circuit breakers are an effective way to reduce the regressive nature of the property tax system by giving refunds to households whose property taxes exceed some specified percentage of their income. Circuit breakers provide targeted property tax relief to those who are the most burdened by property taxes as a percentage of income. Consequently, they are less expensive than across the board property tax relief.

IV. Eligibility Restrictions Across States

Eligibility for existing circuit breaker programs is limited in three ways: by income, by age or disability status, and by whether the dwelling is owned or rented. All states with circuit breaker programs set a maximum income or wealth level, with households with income or wealth above the ceiling ineligible for the program. Some states have very low income ceilings, such as Oregon where households with income above \$10,000 are ineligible for the circuit breaker. Other states, including Maine, Michigan, Minnesota, New Jersey, and Vermont, have more generous income ceilings, with an income limit of \$70,000 or higher in these states.

Four of the 18 states with circuit breaker programs restrict eligibility to persons over a certain age, with the minimum age ranging from 58 to 65. Four more states restrict eligibility to seniors and persons with disabilities. Persons who are elderly or disabled might be particularly sensitive to high property taxes because they may have a limited ability to earn income. States appear particularly concerned with the possibility of elderly residents being forced to sell their homes because of increases in property tax bills that outpace their ability to pay. Circuit breaker programs are a way to provide property tax relief to such households.

Of the 18 states with circuit breaker programs, all but two allow both renters and homeowners to participate. Oklahoma limits eligibility to homeowners only, while Oregon only allows renters to participate in their circuit breaker program. States that allow renters to participate must decide how to determine the property tax burden for renters. The general approach is to assume that some percentage of rental payments is implicitly paid for property taxes, i.e., that landlords pass at least some of the property taxes they pay onto renters. State formulas assume property tax payments for renters between 6 percent and 25 percent of annual rents, with a median of 20 percent.

V. Designing a Circuit Breaker for Georgia

In designing a circuit breaker program for Georgia, several questions need to be addressed:

1. Should both homeowners and renters be eligible for the credit? If renters are eligible, what percent of annual rents should be treated as property tax payments?
2. Should all households in Georgia be eligible for the credit or should it be restricted to the elderly and disabled?
3. Should there be an income ceiling for eligibility? If so, what should it be?
4. What amount of property taxes as a percent of household income is deemed too much and hence should be eligible for the circuit breaker program?
5. Should there be a maximum credit? If so, what should it be?
6. Should there be an adjustment factor to give larger credits to certain groups such as the elderly and disabled?

The last three questions correspond to the choice of W, M, and X, respectively in the general formula for circuit breakers presented above.

To our knowledge, there is no current formal proposal for establishing a property tax circuit breaker program in Georgia. To provide options that policy makers could choose from, we keep our analysis as general as possible and provide analysis of alternative structures of the circuit breaker program.

VI. Estimating the Costs and Distribution of Credits of a Circuit Breaker for Georgia

The cost of a circuit breaker program is an important concern for policymakers considering such a program. Clearly, the cost of the program will depend on its structure. Because no specific structure for a circuit breaker program has been advanced, we provide multiple examples that could be used and provide estimates of the cost to the state of each example. We also estimate the distribution of benefits of the circuit breaker program for various income groups.

Our estimates are based on data for Georgia residents in the 2005 American Community Survey (ACS) produced by the U.S. Census Bureau.⁵ These data allow the development of reasonably accurate estimates of eligibility and cost. However, there are reasons why the estimates may differ from actual cost. First, the ACS contains self-reported property tax payments on owner occupied housing, which can differ from actual payments. Second, reported income is not income for tax purposes, which is usually the basis for existing circuit breaker programs. Third, the number of households who report being owner occupants is about 16.5 percent more than the number of homeowners with a homestead exemption, which suggests the ACS data will overstate the cost of a circuit breaker program.

We treat the above six structural issues in the following manner:

1. We estimate the costs and distribution of credits of a circuit breaker program separately for homeowners and renters. For renter households, 20 percent of annual rental payments are treated as property taxes.
2. We estimate the costs and distribution of credits using two alternative assumptions regarding eligibility based on age.⁶ The first specification assumes that all households are eligible regardless of age. The second specification restricts eligibility to householders who are age 62 or older.
3. We estimate the total costs of circuit breaker programs with no income limit and imposing several different income limits. The household income limits examined are: \$100,000, \$75,000, \$50,000, \$30,000, and \$20,000.

⁵ Note: No adjustment for inflation or real growth has been made for income or property taxes.

⁶ Due to limitations in ACS data, we do not account for disability status as a possible eligibility restriction. If eligibility is restricted to the elderly and disabled, the number of participants and the total cost of the program will be greater than the case where eligibility is restricted to only the elderly.

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We also provide estimates of eligible participants and average credits by income group to illustrate the distribution of benefits resulting from various specifications.

4. We provide multiple estimates in which W equals two percent, three percent, four percent, and five percent. A W equal to five percent means that property taxes have to exceed 5 percent of household income in order for a household to be eligible for the circuit breaker, which is somewhat restrictive relative to existing programs. However, a W of two percent means that households can become eligible for the circuit breaker once property taxes exceed 2 percent of income, which means that more households will be eligible. We also examine a case where W is progressive, i.e. W increases with income. For the case of a Progressive W , households with annual income less than \$30,000 have a W of two percent, while households with annual income between \$30,000 and \$50,000 have a W of three percent. Similarly, households with income between \$50,000 and \$100,000 have a W equal to four percent and households with income greater than \$100,000 have a W equal to five percent. This is, of course, only one example of a progressive W . Other structures for a progressive W exist as well but are not explicitly examined in this report.
5. We provide estimates of specifications for which there is no maximum credit and for which the maximum credit is set at \$2,500, \$2,000, \$1,500, and \$1,000. We also construct a special case where the maximum credit is \$1,750, but the credit is not computed in the usual manner. For Special M, the credit is computed as follows:

$$\text{Credit} = \text{Tax} - W \text{ of Income, if } (\text{Tax} - W \text{ of Income}) \leq \$1,000$$

$$\text{Credit} = \$1,000 + 50\% (\text{Tax} - W \text{ of Income} - \$1,000), \text{ if } \$1,000 < (\text{Tax} - W \text{ of Income}) \leq \$2,000$$

$$\text{Credit} = \$1,500 + 25\% (\text{Tax} - W \text{ of Income} - \$2,000), \text{ if } \$2,000 < (\text{Tax} - W \text{ of Income}) \leq \$3,000$$

$$\text{Credit} = \$1,750 \text{ if } (\text{Tax} - W \text{ of Income}) > \$3,000$$

In other words, the credit is computed by subtracting W of income from the property tax payment as usual, but households do not generally get a dollar-for-dollar credit for the full amount. Instead, households get 100 percent of the first \$1,000, 50 percent of the next \$1,000, and 25 percent of the third \$1,000, but nothing beyond that. Therefore, the maximum credit is \$1,750.

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6. Besides the case of Special M, we do not specifically incorporate adjustment factors into our estimates; in other words, X equals 100 percent for our estimates. However, one can incorporate adjustment factors by simply multiplying relevant percentages for the groups of interest.

Implicit in our estimates are also several other assumptions. First, we assume that the credit is fully refundable. We also assume that all persons eligible for the circuit breaker credit apply for and receive it. As discussed above, it is unlikely that everyone who is eligible will receive the credit.

A. Homeowners Only, No Age Requirement

We begin our estimates with a series of programs that apply to all homeowners regardless of age. Specifically, we are interested in the number of eligible households by income group, the total costs of the program, and the average credit for credit recipients by income group.

Table 1a reports the total number of homeowner households by income group and the number of eligible households by income group for the cases in which W equals two percent, three percent, four percent, and five percent and the case of a Progressive W as discussed above. The number of eligible households would decrease if an income limit is imposed but does not vary with the amount of the maximum credit. The column labeled “Total HHs” reports the total number of homeowner households in Georgia for each income group. In 2005, there were more than 2.2 million homeowner households in Georgia. For a circuit breaker program in which W equals two percent, 957,000 households are eligible for the program, more than 43 percent of all homeowner households. However, if W equals three percent, the number of eligible households decreases to 575,000. For W equal to four percent and five percent, the number of eligible households drops to 375,000 and 256,000 respectively. For the Progressive W chosen, 527,000 households are eligible for the program.

For all specifications except W equal to five percent, the income group between \$30,000 and \$50,000 has the largest number of recipients. However, this group is also the second largest in terms of total households. For all specifications,

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TABLE 1A. NUMBER OF ELIGIBLE HOMEOWNER HOUSEHOLDS BY INCOME GROUP, NO AGE REQUIREMENT

Income Group	Total HHs	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	109,029	78,292	72,048	66,276	60,733	78,292
\$10,000 - \$19,999	178,659	109,455	87,103	68,094	57,622	109,455
\$20,000 - \$29,999	207,476	112,178	80,018	56,715	40,644	112,178
\$30,000 - \$49,999	450,046	219,125	136,053	83,353	47,851	138,303
\$50,000 - \$74,999	484,946	197,172	99,712	51,610	27,833	55,331
\$75,000 - \$99,999	312,722	106,559	44,893	22,351	11,112	22,351
\$100,000 - \$149,999	251,692	77,734	30,323	14,679	8,565	8,907
\$150,000 - \$199,999	61,218	15,381	7,479	3,810	1,994	1,994
\$200,000 - \$299,999	128,724	37,348	16,606	7,724	0	0
\$300,000 or more	20,098	4,134	555	0	0	0
<i>All</i>	<i>2,204,610</i>	<i>957,378</i>	<i>574,790</i>	<i>374,612</i>	<i>256,354</i>	<i>526,811</i>

TABLE 1B. PERCENTAGE OF ELIGIBLE HOMEOWNER HOUSEHOLDS BY INCOME GROUP, NO AGE REQUIREMENT

Income Group	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	71.8%	66.1%	60.8%	55.7%	71.8%
\$10,000 - \$19,999	61.3%	48.8%	38.1%	32.3%	61.3%
\$20,000 - \$29,999	54.1%	38.6%	27.3%	19.6%	54.1%
\$30,000 - \$49,999	48.7%	30.2%	18.5%	10.6%	30.7%
\$50,000 - \$74,999	40.7%	20.6%	10.6%	5.7%	11.4%
\$75,000 - \$99,999	34.1%	14.4%	7.1%	3.6%	7.1%
\$100,000 - \$149,999	30.9%	12.0%	5.8%	3.4%	3.5%
\$150,000 - \$199,999	25.1%	12.2%	6.2%	3.3%	3.3%
\$200,000 - \$299,999	29.0%	12.9%	6.0%	0.0%	0.0%
\$300,000 or more	20.6%	2.8%	0.0%	0.0%	0.0%
<i>All</i>	<i>43.4%</i>	<i>26.1%</i>	<i>17.0%</i>	<i>11.6%</i>	<i>23.9%</i>

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the group with income less than \$10,000 has the highest percentage of households that are eligible for the circuit breaker as seen in Table 1b. For the most part, as income rises the percentage of eligible households in a group decreases.

The likely cost of a circuit breaker program is also of great importance to policymakers. Clearly, the cost depends on the values of the parameters involved: the W , the maximum credit, and the income limit. Table 2 reports the total cost of the circuit breaker program for homeowners with no age or disability requirement for selected values of W , M , and the income limit. Cost estimates for a broader range of values can be found in Appendix Table A1. With W equal to two percent, no maximum credit, and no income limit, the program for homeowners costs more than \$1 billion. However, as W increases the total cost of the program falls. Similarly, imposing a maximum credit decreases the cost of the program, with the cost continuing to decrease as the maximum credit decreases. Additionally, if an income limit is imposed, the total cost decreases with the cost continuing to decrease as the income limit is lowered. For W equal to five percent, a maximum credit of \$1,000, and an income limit of \$50,000, the total cost of the program for homeowners is \$115 million.

We turn next to the average credit for recipients. Table 3 reports the average credit for homeowners by income group for W equal to two percent and various specifications for the maximum credit. With no maximum credit, households with income less than \$10,000 get an average credit of \$855 while households with income between \$200,000 and \$300,000 get an average credit of \$2,464. Such a large disparity in favor of the higher income group is largely inconsistent with the goals of a circuit breaker program. Hence, imposing some form of income limit, maximum credit, or progressive W may be warranted in order to reduce the disparity in average credits between high and low income households. Changing W to three percent does not produce significantly different results. As shown in Table 4, the distribution of average credits across income groups is roughly similar to W equal to

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TABLE 2. TOTAL COST FOR SELECT INCOME LIMIT, W, AND M FOR ALL HOMEOWNER HOUSEHOLDS, NO AGE REQUIREMENT

Income Limit	Max Credit	W = 2%	W = 5%
None	None	\$1,000,204,322	\$286,128,124
None	M = \$1000	\$570,379,603	\$150,070,623
\$50,000	None	\$429,963,788	\$197,791,547
\$50,000	M = \$1000	\$285,890,279	\$114,592,519

TABLE 3. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 2%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$855	\$731	\$697	\$641	\$543
\$10,000 - \$19,999	\$748	\$682	\$653	\$604	\$518
\$20,000 - \$29,999	\$813	\$717	\$684	\$637	\$545
\$30,000 - \$49,999	\$867	\$760	\$727	\$673	\$573
\$50,000 - \$74,999	\$1,034	\$857	\$805	\$728	\$601
\$75,000 - \$99,999	\$1,142	\$941	\$870	\$768	\$619
\$100,000 - \$149,999	\$1,424	\$1,078	\$981	\$858	\$681
\$150,000 - \$199,999	\$2,232	\$1,516	\$1,317	\$1,079	\$799
\$200,000 - \$299,999	\$2,464	\$1,611	\$1,395	\$1,137	\$836
\$300,000 or more	\$1,852	\$1,642	\$1,464	\$1,218	\$867

TABLE 4. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 3%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$868	\$737	\$702	\$644	\$543
\$10,000 - \$19,999	\$776	\$701	\$669	\$615	\$527
\$20,000 - \$29,999	\$846	\$729	\$691	\$636	\$545
\$30,000 - \$49,999	\$896	\$752	\$715	\$655	\$556
\$50,000 - \$74,999	\$1,171	\$903	\$841	\$747	\$610
\$75,000 - \$99,999	\$1,376	\$1,067	\$978	\$859	\$671
\$100,000 - \$149,999	\$1,741	\$1,263	\$1,119	\$928	\$696
\$150,000 - \$199,999	\$2,192	\$1,574	\$1,402	\$1,160	\$842
\$200,000 - \$299,999	\$2,156	\$1,740	\$1,502	\$1,216	\$865
\$300,000 or more	\$625	\$625	\$625	\$625	\$625

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two percent, except for the group with income above \$300,000.⁷ The same is also largely true for W equal to four percent and five percent. (See Appendix Tables A1 and A2. Also see Appendix Table A3 for the average credit by income group for Special M.) Table 5 presents the average credit by income group for Progressive W. As expected, the disparity in average credit across income groups is slightly reduced, though still quite large.

TABLE 5. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR PROGRESSIVE W, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$855	\$731	\$697	\$641	\$543
\$10,000 - \$19,999	\$748	\$682	\$653	\$604	\$518
\$20,000 - \$29,999	\$813	\$717	\$684	\$637	\$545
\$30,000 - \$49,999	\$902	\$758	\$721	\$662	\$563
\$50,000 - \$74,999	\$1,354	\$984	\$892	\$783	\$626
\$75,000 - \$99,999	\$1,545	\$1,150	\$1,030	\$879	\$690
\$100,000 - \$149,999	\$1,948	\$1,410	\$1,233	\$1,028	\$772
\$150,000 - \$199,999	\$1,392	\$1,392	\$1,301	\$1,062	\$794
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

B. Homeowners Only, Age 62 and Over

We next examine the case where eligibility for the circuit breaker program is restricted to homeowners who are 62 or older. Again, we are interested in the number of eligible households by income group, the total costs of the programs with and without income limits, and the average credit for credit recipients by income group.

Table 6a reports the total number of households age 62 and over by income group and the number of eligible households by income group for the various values

⁷ Note: the Census topcodes both income and property tax payments, so the estimated credits for persons with very high income (above \$300,000) and very high property taxes (above \$10,000) may not be highly accurate. Of course, the focus of circuit breakers are usually households with lower and middle income, so the effect of topcoding is likely not very serious.

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TABLE 6A. NUMBER OF ELIGIBLE HOMEOWNER HOUSEHOLDS BY INCOME GROUP, AGE 62 AND OVER

Income Group	Total HHs	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	58,897	37,859	33,585	30,419	27,249	37,859
\$10,000 - \$19,999	105,814	62,384	48,622	36,294	29,513	62,384
\$20,000 - \$29,999	87,790	45,712	30,455	20,507	14,922	45,712
\$30,000 - \$49,999	135,345	55,196	34,226	22,332	13,917	34,469
\$50,000 - \$74,999	102,019	36,006	20,502	11,243	5,765	11,413
\$75,000 - \$99,999	51,070	15,596	7,031	3,929	2,036	3,929
\$100,000 - \$149,999	39,045	11,358	4,861	2,692	1,654	1,706
\$150,000 - \$199,999	15,109	4,606	2,227	1,349	739	739
\$200,000 - \$299,999	14,119	3,489	2,134	545	0	0
\$300,000 or more	3,753	647	206	0	0	0
<i>Total</i>	<i>612,961</i>	<i>272,853</i>	<i>183,849</i>	<i>129,310</i>	<i>95,795</i>	<i>198,211</i>

TABLE 6B. PERCENTAGE OF ELIGIBLE HOMEOWNER HOUSEHOLDS BY INCOME GROUP, AGE 62 AND OVER

Income Group	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	64.3%	57.0%	51.6%	46.3%	64.3%
\$10,000 - \$19,999	59.0%	46.0%	34.3%	27.9%	59.0%
\$20,000 - \$29,999	52.1%	34.7%	23.4%	17.0%	52.1%
\$30,000 - \$49,999	40.8%	25.3%	16.5%	10.3%	25.5%
\$50,000 - \$74,999	35.3%	20.1%	11.0%	5.7%	11.2%
\$75,000 - \$99,999	30.5%	13.8%	7.7%	4.0%	7.7%
\$100,000 - \$149,999	29.1%	12.4%	6.9%	4.2%	4.4%
\$150,000 - \$199,999	30.5%	14.7%	8.9%	4.9%	4.9%
\$200,000 - \$299,999	24.7%	15.1%	3.9%	0.0%	0.0%
\$300,000 or more	17.2%	5.5%	0.0%	0.0%	0.0%
<i>All</i>	<i>44.5%</i>	<i>30.0%</i>	<i>21.1%</i>	<i>15.6%</i>	<i>32.3%</i>

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of W. In 2005, there were 613,000 homeowner households in Georgia age 62 and over. If W equals two percent, 273,000 of these households (44.5 percent) would be eligible for the program. However, if W equals three percent, the number of eligible households falls to 184,000. For W equal to four percent and five percent, the number of eligible households drops to 129,000 and 96,000, respectively. For Progressive W, 198,000 households are eligible. Comparing Table 6a to Table 1a, we see that restricting the program to homeowner households age 62 and over reduces the number of eligible households by roughly two-thirds relative to the case where all homeowners are eligible. Table 6a also shows that the group with income between \$10,000 and \$20,000 has the largest number of recipients for all value values of W. However, the group with income less than \$10,000 has the highest percentage of eligible households as shown in Table 6b.

Table 7 reports the total cost of the circuit breaker program for homeowners age 62 and up for select values of W, M, and the income limit. Cost estimates for a broader range of values can be found in Appendix Table A5. With W equal to two percent, no maximum credit, and no income limit, the cost for homeowners age 62 and over is \$266 million, significantly less than the \$1 billion cost of a similar program with no age or disability restriction. The total cost of the program falls as W is increased, the maximum credit is decreased, or the income limit is decreased.

Table 8 reports the average credit for homeowners age 62 and up by income group for W equal to two percent and various specifications for the maximum credit. With no maximum credit, households with income less than \$10,000 get an average credit of \$686, with the average credit generally increasing with income. Changing W to three percent, four percent, or five percent does not significantly alter the distribution of average credits across income groups except for very high income groups. (See Appendix Tables A4, A5, and A6. Also see Appendix Table A7 for the average credit by income group for Special M.) Similarly, using the Progressive W does not alter the distribution of average credits much either. (See Appendix Table A8.)

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TABLE 7. TOTAL COST BY INCOME LIMIT, W, AND M FOR ALL HOMEOWNER HOUSEHOLDS, AGE 62 AND OVER

Income Limit	Max Credit	W = 2%	W = 5%
None	None	\$265,904,117	\$102,199,358
None	M = \$1000	\$153,020,049	\$55,137,308
\$50,000	None	\$159,789,554	\$80,438,331
\$50,000	M = \$1000	\$104,237,608	\$47,165,578

TABLE 8. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 2%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$686	\$628	\$605	\$563	\$485
\$10,000 - \$19,999	\$735	\$652	\$621	\$572	\$487
\$20,000 - \$29,999	\$748	\$672	\$642	\$597	\$511
\$30,000 - \$49,999	\$974	\$813	\$769	\$701	\$583
\$50,000 - \$74,999	\$1,226	\$950	\$887	\$798	\$648
\$75,000 - \$99,999	\$1,333	\$1,018	\$930	\$809	\$641
\$100,000 - \$149,999	\$1,650	\$1,201	\$1,072	\$917	\$723
\$150,000 - \$199,999	\$2,320	\$1,486	\$1,277	\$1,039	\$763
\$200,000 - \$299,999	\$2,966	\$1,972	\$1,659	\$1,304	\$914
\$300,000 or more	\$2,185	\$1,719	\$1,448	\$1,139	\$831

C. Renters Only, No Age Requirement

We also consider the case where renters are eligible for the circuit breaker program regardless of age. Property taxes for renters are assumed to equal 20 percent of annual rents. Again, we are interested in the number of eligible households by income group, the total costs of the program, and the average credit for credit recipients by income group. Assuming that property taxes are only 10 percent of rent would reduce the number of eligible households and the cost of the program by about half.

For each income group, Table 9 reports the total number of renter households in Georgia and the number who are eligible for the circuit breaker program for various values of W. As before, the number of eligible households would decrease if an income limit is imposed but does not vary with the amount of the maximum credit. In 2005, there were a little more than one million renter households in Georgia and

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TABLE 9. NUMBER OF ELIGIBLE RENTER HOUSEHOLDS BY INCOME GROUP, NO AGE REQUIREMENT

Income Group	Total HHs	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	179,983	171,140	165,114	156,738	150,774	171,140
\$10,000 - \$19,999	198,135	189,198	181,870	168,646	151,432	189,198
\$20,000 - \$29,999	169,785	161,061	147,935	125,519	98,724	161,061
\$30,000 - \$49,999	248,032	230,597	185,953	111,351	53,002	185,953
\$50,000 - \$74,999	141,608	113,162	62,128	17,550	4,625	17,550
\$75,000 - \$99,999	55,099	36,207	10,335	3,312	447	3,312
\$100,000 - \$149,999	23,822	9,236	2,703	556	206	206
\$150,000 - \$199,999	2,891	539	365	0	0	0
\$200,000 - \$299,999	7,386	184	0	0	0	0
\$300,000 or more	913	0	0	0	0	0
<i>All</i>	<i>1,027,654</i>	<i>911,324</i>	<i>756,403</i>	<i>583,672</i>	<i>459,210</i>	<i>728,420</i>

911,000 of those (88.7 percent) would be eligible for a circuit breaker program with W equal to two percent. However, the number of eligible households falls as W rises. As with the homeowner case examined earlier, the percentage of households who are eligible is highest among lower income groups.

The cost of a circuit breaker program for renters is also important and cost estimates for a broad range of values for W, the maximum credit, and the income limit can be found in Appendix Table A12. With W equal to two percent, no maximum credit, and no income limit, the program for renters costs \$786 million. However, programs with a higher W and more stringent income limits and maximum credits can cost significantly less.

We are also interested in the average credit for recipients. Table 10 reports the average credit for renters by income group for W equal to two percent and various values of the maximum credit. With no maximum credit, households with income less than \$10,000 get an average credit of \$927 and households with income between \$150,000 and \$200,000 receive the largest average credit of \$1,693. Raising W to three percent, four percent, and five percent or using a Progressive W generally lowers the average credits for higher income groups as shown in Appendix Tables A13, A14, A15, and A16.

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TABLE 10. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 2%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$927	\$912	\$888	\$832	\$689
\$10,000 - \$19,999	\$904	\$882	\$871	\$840	\$730
\$20,000 - \$29,999	\$924	\$909	\$896	\$865	\$753
\$30,000 - \$49,999	\$831	\$814	\$804	\$778	\$693
\$50,000 - \$74,999	\$744	\$732	\$723	\$701	\$628
\$75,000 - \$99,999	\$649	\$632	\$622	\$581	\$501
\$100,000 - \$149,999	\$808	\$755	\$721	\$664	\$551
\$150,000 - \$199,999	\$1,693	\$1,673	\$1,423	\$1,085	\$746
\$200,000 - \$299,999	\$1,358	\$1,358	\$1,358	\$1,296	\$1,000
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

D. Renters Only, Age 62 and Over

We next consider the case where circuit breaker eligibility is restricted to renters age 62 and older. We again assume that property taxes are equal to 20 percent of annual rents. As seen in Table 11, there were 113,000 renter households in Georgia age 62 and over in 2005. If W equals two percent, 100,000 of these households (89.0 percent) would be eligible for the circuit breaker program. Again, as W rises, the number of eligible households decreases.

The cost of a circuit breaker program for renters age 62 and older ranges from \$22 million to \$92 million, depending on the specification of W, the maximum credit, and the income limit (See Appendix Table A18). Table 12 reports the average credit for renters age 62 and older by income group for W equal to two percent and various specifications for the maximum credit. With no maximum credit, households with income less than \$10,000 get an average credit of \$639, while recipients with household income between \$100,000 and \$200,000 get an average credit greater than \$1,700. Imposing maximum credits and increasing W to three percent, four percent, or five percent or using a Progressive W generally reduces the disparity in average credit levels between high and low income groups (See Appendix Tables A19, A20, A21, and A22).

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TABLE 11. NUMBER OF ELIGIBLE RENTER HOUSEHOLDS BY INCOME GROUP, AGE 62 AND OVER

Income Group	Total HHs	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	31,995	30,159	28,530	24,822	22,367	30,159
\$10,000 - \$19,999	33,671	31,664	29,697	26,794	22,363	31,664
\$20,000 - \$29,999	15,745	14,242	12,615	10,156	7,979	14,242
\$30,000 - \$49,999	16,466	14,771	12,308	9,008	5,776	12,308
\$50,000 - \$74,999	9,270	6,074	3,354	1,437	655	1,437
\$75,000 - \$99,999	2,374	1,618	499	423	246	423
\$100,000 - \$149,999	2,074	1,311	1,008	257	206	206
\$150,000 - \$199,999	651	306	215	0	0	0
\$200,000 - \$299,999	440	113	0	0	0	0
\$300,000 or more	0	0	0	0	0	0
<i>Total</i>	<i>112,686</i>	<i>100,258</i>	<i>88,226</i>	<i>72,897</i>	<i>59,592</i>	<i>90,439</i>

TABLE 12. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 2%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$639	\$622	\$614	\$597	\$523
\$10,000 - \$19,999	\$861	\$786	\$760	\$716	\$626
\$20,000 - \$29,999	\$1,074	\$975	\$924	\$851	\$715
\$30,000 - \$49,999	\$1,351	\$1,117	\$1,047	\$931	\$755
\$50,000 - \$74,999	\$894	\$793	\$760	\$705	\$604
\$75,000 - \$99,999	\$985	\$811	\$723	\$604	\$473
\$100,000 - \$149,999	\$1,722	\$1,596	\$1,469	\$1,226	\$868
\$150,000 - \$199,999	\$1,717	\$1,710	\$1,516	\$1,165	\$813
\$200,000 - \$299,999	\$1,168	\$1,168	\$1,168	\$1,168	\$1,000
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

VII. Summary

This report discusses the circuit breaker program, which is a way to provide targeted property tax relief in Georgia by giving refunds to households whose property taxes exceed some specified percentage of their income. Eighteen states currently use circuit breaker programs, with the structure of the programs varying across states. Most extend eligibility to both homeowners and renters, but some do not. Some states restrict eligibility to the aged and disabled, but a majority do not. States also impose different income limits, maximum credits, and percentages of income beyond which property taxes will be refunded (W). In designing a property tax circuit breaker program for Georgia, all of these factors need to be taken into account.

We also estimate the costs and distribution of credits for various specifications of a circuit breaker program for Georgia. Depending on the structure, a circuit breaker program could benefit more than one million Georgia households who are highly burdened by property taxes with the cost perhaps more than \$1 billion. However, even a more modest circuit breaker program targeted at seniors and those with low income could provide valuable property tax relief to those who are the most burdened by property taxes and do so at a much lower cost to the state.

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- Lyons, Karen, Sarah Farkas, and Nicholas Johnson (2007). "The Property Tax Circuit Breaker: An Introduction and Survey of Current Programs." Center on Budget and Policy Priorities. <http://www.cbpp.org/3-21-07sfp.htm> (March).

TABLE A1. TOTAL COST BY INCOME LIMIT, W, AND M FOR ALL HOMEOWNER HOUSEHOLDS, NO AGE REQUIREMENT

Income Limit	Max Credit	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
None	None	\$1,000,204,322	\$603,533,490	\$399,791,521	\$286,128,124	\$494,269,784
None	M = \$2500	\$822,298,943	\$491,999,578	\$321,434,307	\$225,432,379	\$412,669,539
None	M = \$2000	\$768,365,497	\$458,782,107	\$299,174,215	\$207,869,770	\$388,533,152
None	M = \$1500	\$691,179,512	\$410,406,200	\$267,599,305	\$184,238,871	\$353,491,699
None	M = \$1000	\$570,379,603	\$337,326,048	\$219,676,436	\$150,070,623	\$296,699,080
None	Special M	\$692,648,848	\$412,791,793	\$269,259,554		
\$100,000	None	\$755,488,684	\$498,205,039	\$353,947,957	\$267,410,770	\$474,143,630
\$100,000	M = \$2500	\$648,191,481	\$412,698,623	\$284,776,817	\$210,922,400	\$397,330,760
\$100,000	M = \$2000	\$613,677,052	\$389,064,995	\$265,670,404	\$194,994,591	\$374,959,173
\$100,000	M = \$1500	\$560,404,808	\$353,053,034	\$239,118,581	\$173,514,407	\$342,218,185
\$100,000	M = \$1000	\$470,402,570	\$295,222,087	\$198,622,227	\$142,012,046	\$288,242,203
\$100,000	Special M	\$556,388,793	\$352,553,408	\$240,610,531		
\$75,000	None	\$633,815,248	\$436,453,183	\$319,408,919	\$246,757,612	\$439,604,592
\$75,000	M = \$2500	\$547,949,067	\$364,808,838	\$259,076,043	\$195,681,377	\$371,629,986
\$75,000	M = \$2000	\$520,926,904	\$345,176,882	\$242,652,490	\$181,589,183	\$351,941,259
\$75,000	M = \$1500	\$478,614,138	\$314,495,013	\$219,461,204	\$162,390,739	\$322,560,808
\$75,000	M = \$1000	\$404,487,632	\$265,087,113	\$183,208,762	\$133,802,456	\$272,828,738
\$75,000	Special M	\$473,998,545	\$313,767,614	\$220,177,825		
\$50,000	None	\$429,963,788	\$319,727,306	\$247,018,194	\$197,791,547	\$364,687,317
\$50,000	M = \$2500	\$378,907,697	\$274,758,231	\$207,053,338	\$162,188,189	\$317,206,931
\$50,000	M = \$2000	\$362,188,165	\$261,360,614	\$195,597,853	\$151,932,595	\$302,558,572
\$50,000	M = \$1500	\$335,090,550	\$239,991,047	\$178,369,229	\$137,448,790	\$279,238,583
\$50,000	M = \$1000	\$285,890,279	\$204,309,314	\$150,402,491	\$114,592,519	\$238,189,467
\$50,000	Special M	\$331,067,561	\$238,633,939	\$178,000,964		
\$30,000	None	\$239,949,919	\$197,843,558	\$166,329,673	\$142,053,553	\$239,949,919
\$30,000	M = \$2500	\$212,328,703	\$172,494,853	\$143,002,803	\$120,530,783	\$212,328,703
\$30,000	M = \$2000	\$202,793,513	\$164,120,005	\$135,491,497	\$113,658,899	\$202,793,513
\$30,000	M = \$1500	\$187,685,544	\$150,842,258	\$123,738,316	\$103,332,609	\$187,685,544
\$30,000	M = \$1000	\$160,342,638	\$128,623,985	\$104,854,209	\$86,616,997	\$160,342,638
\$30,000	Special M	\$185,615,189	\$149,966,616	\$123,386,788		
\$20,000	None	\$148,804,418	\$130,118,838	\$115,019,592	\$102,529,133	\$148,804,418
\$20,000	M = \$2500	\$131,890,271	\$114,129,698	\$99,842,799	\$88,078,383	\$131,890,271
\$20,000	M = \$2000	\$126,018,459	\$108,847,414	\$95,006,025	\$83,590,201	\$126,018,459
\$20,000	M = \$1500	\$116,245,347	\$99,948,137	\$86,957,594	\$76,403,782	\$116,245,347
\$20,000	M = \$1000	\$99,224,057	\$85,053,796	\$73,519,371	\$64,096,155	\$99,224,057
\$20,000	Special M	\$115,083,769	\$99,179,233	\$86,301,320		

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TABLE A2. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 4%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$885	\$745	\$709	\$649	\$545
\$10,000 - \$19,999	\$828	\$741	\$705	\$645	\$549
\$20,000 - \$29,999	\$905	\$761	\$714	\$649	\$552
\$30,000 - \$49,999	\$968	\$768	\$721	\$655	\$546
\$50,000 - \$74,999	\$1,403	\$1,008	\$912	\$796	\$636
\$75,000 - \$99,999	\$1,545	\$1,150	\$1,030	\$879	\$690
\$100,000 - \$149,999	\$1,992	\$1,455	\$1,294	\$1,084	\$814
\$150,000 - \$199,999	\$1,867	\$1,525	\$1,318	\$1,058	\$753
\$200,000 - \$299,999	\$1,229	\$1,229	\$1,229	\$1,104	\$807
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A3. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 5%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$909	\$760	\$722	\$660	\$552
\$10,000 - \$19,999	\$821	\$728	\$690	\$631	\$531
\$20,000 - \$29,999	\$972	\$798	\$740	\$663	\$554
\$30,000 - \$49,999	\$1,165	\$871	\$800	\$713	\$585
\$50,000 - \$74,999	\$1,759	\$1,203	\$1,066	\$896	\$690
\$75,000 - \$99,999	\$1,859	\$1,372	\$1,206	\$1,001	\$739
\$100,000 - \$149,999	\$1,861	\$1,370	\$1,200	\$1,005	\$756
\$150,000 - \$199,999	\$1,392	\$1,392	\$1,301	\$1,062	\$794
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A4. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR SPECIAL M, NO AGE REQUIREMENT

Income Group	W = 2%	W = 3%	W = 4%
Less than \$10,000	\$635	\$638	\$643
\$10,000 - \$19,999	\$597	\$611	\$642
\$20,000 - \$29,999	\$628	\$635	\$654
\$30,000 - \$49,999	\$664	\$652	\$655
\$50,000 - \$74,999	\$725	\$753	\$817
\$75,000 - \$99,999	\$773	\$864	\$914
\$100,000 - \$149,999	\$875	\$971	\$1,124
\$150,000 - \$199,999	\$1,150	\$1,205	\$1,124
\$200,000 - \$299,999	\$1,216	\$1,291	\$1,018
\$300,000 or more	\$1,238	\$625	\$0

TABLE A5. TOTAL COST BY INCOME LIMIT, W, AND M FOR ALL HOMEOWNER HOUSEHOLDS, AGE 62 AND OVER

Income Limit	Max Credit	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
None	None	\$265,904,117	\$180,806,850	\$132,296,709	\$102,199,358	\$172,737,543
None	M = \$2500	\$218,618,344	\$147,527,348	\$106,549,894	\$81,200,038	\$145,231,449
None	M = \$2000	\$204,667,849	\$138,019,007	\$99,438,573	\$75,516,289	\$137,009,432
None	M = \$1500	\$184,791,989	\$124,115,925	\$89,135,123	\$67,434,263	\$124,683,971
None	M = \$1000	\$153,020,049	\$102,852,354	\$73,417,305	\$55,137,308	\$104,728,671
None	Special M	\$184,863,200	\$124,574,078	\$89,545,233		
\$100,000	None	\$224,715,169	\$162,046,719	\$123,919,296	\$98,600,544	\$169,049,929
\$100,000	M = \$2500	\$190,141,637	\$133,402,915	\$99,838,131	\$78,144,814	\$142,087,425
\$100,000	M = \$2000	\$179,881,126	\$125,557,156	\$93,449,722	\$72,733,385	\$134,178,228
\$100,000	M = \$1500	\$164,306,105	\$113,797,594	\$84,099,527	\$65,134,309	\$122,376,217
\$100,000	M = \$1000	\$137,568,040	\$95,186,745	\$69,737,423	\$53,431,344	\$103,014,907
\$100,000	Special M	\$163,055,415	\$113,761,464	\$84,388,454		
\$75,000	None	\$203,933,273	\$150,356,400	\$116,678,648	\$93,855,321	\$161,809,281
\$75,000	M = \$2500	\$174,257,785	\$125,040,722	\$94,821,597	\$74,889,956	\$137,070,891
\$75,000	M = \$2000	\$165,373,611	\$118,063,975	\$89,034,764	\$69,880,767	\$129,763,270
\$75,000	M = \$1500	\$151,695,462	\$107,325,924	\$80,435,939	\$62,787,491	\$118,712,629
\$75,000	M = \$1000	\$127,568,970	\$90,239,854	\$66,953,165	\$51,741,870	\$100,230,649
\$75,000	Special M	\$150,218,186	\$107,149,719	\$80,519,129		
\$50,000	None	\$159,789,554	\$123,063,976	\$98,167,689	\$80,438,331	\$143,192,822
\$50,000	M = \$2500	\$140,039,698	\$105,595,882	\$82,535,600	\$66,360,572	\$124,679,394
\$50,000	M = \$2000	\$133,435,236	\$100,303,475	\$78,096,344	\$62,471,065	\$118,719,350
\$50,000	M = \$1500	\$122,974,351	\$91,737,903	\$71,108,851	\$56,675,253	\$109,280,041
\$50,000	M = \$1000	\$104,237,608	\$77,621,412	\$59,665,271	\$47,165,578	\$92,837,255
\$50,000	Special M	\$121,569,672	\$91,194,013	\$70,774,508		
\$30,000	None	\$106,016,397	\$86,332,226	\$72,069,895	\$61,247,061	\$106,016,397
\$30,000	M = \$2500	\$95,145,644	\$76,410,207	\$62,960,340	\$52,830,153	\$95,145,644
\$30,000	M = \$2000	\$90,991,787	\$72,876,887	\$59,899,323	\$50,115,276	\$90,991,787
\$30,000	M = \$1500	\$84,293,754	\$67,050,491	\$54,827,576	\$45,763,738	\$84,293,754
\$30,000	M = \$1000	\$72,065,208	\$57,135,690	\$46,382,595	\$38,397,134	\$72,065,208
\$30,000	Special M	\$83,229,713	\$66,467,252	\$54,419,000		
\$20,000	None	\$71,834,653	\$61,453,014	\$53,361,910	\$46,894,133	\$71,834,653
\$20,000	M = \$2500	\$64,430,529	\$54,553,046	\$46,911,077	\$40,831,352	\$64,430,529
\$20,000	M = \$2000	\$61,635,708	\$52,094,083	\$44,688,151	\$38,806,867	\$61,635,708
\$20,000	M = \$1500	\$56,998,432	\$47,906,608	\$40,953,344	\$35,521,424	\$56,998,432
\$20,000	M = \$1000	\$48,727,348	\$40,762,567	\$34,613,063	\$29,789,225	\$48,727,348
\$20,000	Special M	\$56,332,855	\$47,447,191	\$40,568,829		

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TABLE A6. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 3%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$705	\$642	\$617	\$575	\$492
\$10,000 - \$19,999	\$777	\$678	\$645	\$588	\$498
\$20,000 - \$29,999	\$817	\$718	\$682	\$629	\$538
\$30,000 - \$49,999	\$1,073	\$853	\$801	\$721	\$599
\$50,000 - \$74,999	\$1,331	\$948	\$866	\$760	\$615
\$75,000 - \$99,999	\$1,663	\$1,189	\$1,066	\$920	\$704
\$100,000 - \$149,999	\$1,972	\$1,446	\$1,263	\$1,035	\$762
\$150,000 - \$199,999	\$2,466	\$1,709	\$1,493	\$1,214	\$875
\$200,000 - \$299,999	\$1,648	\$1,462	\$1,326	\$1,132	\$864
\$300,000 or more	\$818	\$818	\$818	\$818	\$818

TABLE A7. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 4%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$714	\$647	\$621	\$577	\$491
\$10,000 - \$19,999	\$872	\$751	\$711	\$645	\$542
\$20,000 - \$29,999	\$912	\$783	\$742	\$677	\$574
\$30,000 - \$49,999	\$1,169	\$877	\$815	\$729	\$595
\$50,000 - \$74,999	\$1,646	\$1,093	\$973	\$830	\$648
\$75,000 - \$99,999	\$1,843	\$1,277	\$1,124	\$932	\$709
\$100,000 - \$149,999	\$1,958	\$1,484	\$1,329	\$1,133	\$828
\$150,000 - \$199,999	\$1,911	\$1,622	\$1,396	\$1,115	\$799
\$200,000 - \$299,999	\$970	\$970	\$970	\$884	\$685
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

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TABLE A8. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR W = 5%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$733	\$661	\$634	\$588	\$498
\$10,000 - \$19,999	\$912	\$773	\$730	\$661	\$550
\$20,000 - \$29,999	\$962	\$804	\$758	\$686	\$577
\$30,000 - \$49,999	\$1,379	\$972	\$888	\$784	\$630
\$50,000 - \$74,999	\$2,327	\$1,480	\$1,285	\$1,060	\$794
\$75,000 - \$99,999	\$2,331	\$1,599	\$1,401	\$1,153	\$830
\$100,000 - \$149,999	\$1,617	\$1,289	\$1,124	\$917	\$672
\$150,000 - \$199,999	\$1,250	\$1,250	\$1,250	\$1,059	\$805
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A9. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR SPECIAL M, AGE 62 AND OVER

Income Group	W = 2%	W = 3%	W = 4%
Less than \$10,000	\$555	\$565	\$566
\$10,000 - \$19,999	\$566	\$586	\$643
\$20,000 - \$29,999	\$588	\$625	\$675
\$30,000 - \$49,999	\$695	\$722	\$732
\$50,000 - \$74,999	\$796	\$778	\$867
\$75,000 - \$99,999	\$823	\$940	\$985
\$100,000 - \$149,999	\$956	\$1,093	\$1,151
\$150,000 - \$199,999	\$1,117	\$1,288	\$1,191
\$200,000 - \$299,999	\$1,431	\$1,154	\$827
\$300,000 or more	\$1,254	\$818	\$0

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TABLE A10. AVERAGE CREDIT FOR HOMEOWNERS BY INCOME GROUP FOR PROGRESSIVE W, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$686	\$628	\$605	\$563	\$485
\$10,000 - \$19,999	\$735	\$652	\$621	\$572	\$487
\$20,000 - \$29,999	\$748	\$672	\$642	\$597	\$511
\$30,000 - \$49,999	\$1,079	\$857	\$804	\$725	\$603
\$50,000 - \$74,999	\$1,631	\$1,086	\$968	\$826	\$648
\$75,000 - \$99,999	\$1,843	\$1,277	\$1,124	\$932	\$709
\$100,000 - \$149,999	\$1,620	\$1,301	\$1,118	\$894	\$656
\$150,000 - \$199,999	\$1,250	\$1,250	\$1,250	\$1,059	\$805
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A11. PERCENTAGE OF ELIGIBLE RENTER HOUSEHOLDS BY INCOME GROUP, NO AGE REQUIREMENT

Income Group	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	95.1%	91.7%	87.1%	83.8%	95.1%
\$10,000 - \$19,999	95.5%	91.8%	85.1%	76.4%	95.5%
\$20,000 - \$29,999	94.9%	87.1%	73.9%	58.1%	94.9%
\$30,000 - \$49,999	93.0%	75.0%	44.9%	21.4%	75.0%
\$50,000 - \$74,999	79.9%	43.9%	12.4%	3.3%	12.4%
\$75,000 - \$99,999	65.7%	18.8%	6.0%	0.8%	6.0%
\$100,000 - \$149,999	38.8%	11.3%	2.3%	0.9%	0.9%
\$150,000 - \$199,999	18.6%	12.6%	0.0%	0.0%	0.0%
\$200,000 - \$299,999	2.5%	0.0%	0.0%	0.0%	0.0%
\$300,000 or more	0.0%	0.0%	0.0%	0.0%	0.0%
<i>All</i>	88.7%	73.6%	56.8%	44.7%	70.9%

TABLE A12. TOTAL COST BY INCOME LIMIT, W, AND M FOR ALL RENTER HOUSEHOLDS, NO AGE REQUIREMENT

Income Limit	Max Credit	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
None	None	\$786,361,922	\$556,161,304	\$405,002,611	\$309,326,354	\$600,834,788
None	M = \$2500	\$770,956,974	\$544,151,840	\$395,152,861	\$301,184,436	\$588,348,822
None	M = \$2000	\$758,481,825	\$534,903,119	\$387,669,067	\$294,545,124	\$578,179,658
None	M = \$1500	\$727,341,829	\$514,559,039	\$371,655,297	\$280,965,841	\$554,544,707
None	M = \$1000	\$632,055,713	\$457,343,391	\$330,936,609	\$249,045,176	\$482,236,486
\$100,000	None	\$777,737,681	\$553,845,375	\$404,452,946	\$309,228,834	\$600,737,268
\$100,000	M = \$2500	\$762,829,974	\$541,855,391	\$394,603,195	\$301,086,916	\$588,251,302
\$100,000	M = \$2000	\$750,805,411	\$532,749,286	\$387,119,401	\$294,447,604	\$578,082,138
\$100,000	M = \$1500	\$720,381,513	\$512,626,206	\$371,123,312	\$280,868,321	\$554,447,187
\$100,000	M = \$1000	\$626,382,547	\$455,684,351	\$330,501,851	\$248,947,656	\$482,138,966
\$75,000	None	\$754,254,542	\$547,152,561	\$402,678,586	\$308,667,224	\$598,962,908
\$75,000	M = \$2500	\$739,955,611	\$535,415,131	\$392,835,375	\$300,525,306	\$586,483,482
\$75,000	M = \$2000	\$728,287,392	\$526,507,525	\$385,456,649	\$293,885,994	\$576,419,386
\$75,000	M = \$1500	\$699,348,202	\$506,600,945	\$369,651,284	\$280,344,321	\$552,975,159
\$75,000	M = \$1000	\$608,255,363	\$450,266,851	\$329,230,323	\$248,543,976	\$480,867,438
\$50,000	None	\$670,091,144	\$516,408,660	\$393,353,485	\$305,369,244	\$589,637,807
\$50,000	M = \$2500	\$657,157,603	\$505,464,022	\$383,987,079	\$297,414,201	\$577,635,185
\$50,000	M = \$2000	\$646,452,877	\$497,029,660	\$376,878,033	\$291,025,889	\$567,840,770
\$50,000	M = \$1500	\$620,009,045	\$478,030,735	\$361,507,111	\$277,749,496	\$544,830,986
\$50,000	M = \$1000	\$537,201,029	\$423,628,736	\$321,963,276	\$246,356,261	\$473,600,391
\$30,000	None	\$478,470,453	\$405,241,306	\$338,124,978	\$280,371,043	\$478,470,453
\$30,000	M = \$2500	\$469,414,816	\$397,243,652	\$331,035,149	\$274,131,898	\$469,414,816
\$30,000	M = \$2000	\$460,959,427	\$390,148,317	\$324,878,911	\$268,509,930	\$460,959,427
\$30,000	M = \$1500	\$440,633,395	\$373,833,144	\$311,030,338	\$256,326,291	\$440,633,395
\$30,000	M = \$1000	\$377,314,002	\$327,342,347	\$274,867,068	\$226,660,371	\$377,314,002
\$20,000	None	\$329,646,433	\$294,174,140	\$260,796,336	\$230,174,088	\$329,646,433
\$20,000	M = \$2500	\$323,063,352	\$288,094,898	\$255,194,551	\$225,012,753	\$323,063,352
\$20,000	M = \$2000	\$316,707,727	\$282,495,421	\$250,127,037	\$220,335,455	\$316,707,727
\$20,000	M = \$1500	\$301,304,093	\$269,265,044	\$238,349,792	\$209,651,926	\$301,304,093
\$20,000	M = \$1000	\$255,958,822	\$231,953,801	\$207,290,878	\$183,131,342	\$255,958,822

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TABLE A13. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 3%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$911	\$896	\$873	\$818	\$681
\$10,000 - \$19,999	\$790	\$770	\$761	\$737	\$657
\$20,000 - \$29,999	\$751	\$738	\$728	\$707	\$645
\$30,000 - \$49,999	\$598	\$582	\$575	\$560	\$518
\$50,000 - \$74,999	\$495	\$482	\$474	\$460	\$429
\$75,000 - \$99,999	\$648	\$623	\$604	\$583	\$524
\$100,000 - \$149,999	\$760	\$753	\$700	\$618	\$517
\$150,000 - \$199,999	\$718	\$718	\$718	\$718	\$718
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A14. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 4%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$911	\$896	\$873	\$819	\$685
\$10,000 - \$19,999	\$700	\$680	\$672	\$652	\$593
\$20,000 - \$29,999	\$616	\$604	\$596	\$579	\$538
\$30,000 - \$49,999	\$496	\$476	\$467	\$453	\$423
\$50,000 - \$74,999	\$531	\$504	\$489	\$464	\$414
\$75,000 - \$99,999	\$536	\$534	\$502	\$444	\$384
\$100,000 - \$149,999	\$989	\$989	\$989	\$957	\$782
\$150,000 - \$199,999	\$0	\$0	\$0	\$0	\$0
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

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TABLE A15. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 5%, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$899	\$884	\$862	\$808	\$679
\$10,000 - \$19,999	\$625	\$605	\$597	\$580	\$533
\$20,000 - \$29,999	\$508	\$498	\$488	\$473	\$441
\$30,000 - \$49,999	\$472	\$439	\$425	\$404	\$372
\$50,000 - \$74,999	\$713	\$673	\$618	\$561	\$473
\$75,000 - \$99,999	\$1,256	\$1,256	\$1,256	\$1,172	\$903
\$100,000 - \$149,999	\$473	\$473	\$473	\$473	\$473
\$150,000 - \$199,999	\$0	\$0	\$0	\$0	\$0
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A16. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR PROGRESSIVE W, NO AGE REQUIREMENT

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$927	\$912	\$888	\$832	\$689
\$10,000 - \$19,999	\$904	\$882	\$871	\$840	\$730
\$20,000 - \$29,999	\$924	\$909	\$896	\$865	\$753
\$30,000 - \$49,999	\$598	\$582	\$575	\$560	\$518
\$50,000 - \$74,999	\$531	\$504	\$489	\$464	\$414
\$75,000 - \$99,999	\$536	\$534	\$502	\$444	\$384
\$100,000 - \$149,999	\$473	\$473	\$473	\$473	\$473
\$150,000 - \$199,999	\$0	\$0	\$0	\$0	\$0
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

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TABLE A17. PERCENTAGE OF ELIGIBLE RENTER HOUSEHOLDS BY INCOME GROUP, AGE 62 AND OVER

Income Group	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
Less than \$10,000	94.3%	89.2%	77.6%	69.9%	94.3%
\$10,000 - \$19,999	94.0%	88.2%	79.6%	66.4%	94.0%
\$20,000 - \$29,999	90.5%	80.1%	64.5%	50.7%	90.5%
\$30,000 - \$49,999	89.7%	74.7%	54.7%	35.1%	74.7%
\$50,000 - \$74,999	65.5%	36.2%	15.5%	7.1%	15.5%
\$75,000 - \$99,999	68.2%	21.0%	17.8%	10.4%	17.8%
\$100,000 - \$149,999	63.2%	48.6%	12.4%	9.9%	9.9%
\$150,000 - \$199,999	47.0%	33.0%	0.0%	0.0%	0.0%
\$200,000 - \$299,999	25.7%	0.0%	0.0%	0.0%	0.0%
\$300,000 or more					
<i>All</i>	<i>89.0%</i>	<i>78.3%</i>	<i>64.7%</i>	<i>52.9%</i>	<i>80.3%</i>

TABLE A18. TOTAL COST BY INCOME LIMIT, W, AND M FOR ALL RENTER HOUSEHOLDS, AGE 62 AND OVER

Income Limit	Max Credit	W = 2%	W = 3%	W = 4%	W = 5%	Progressive W
None	None	\$91,753,260	\$71,635,431	\$56,436,253	\$45,522,585	\$78,650,554
None	M = \$2500	\$82,912,111	\$64,460,006	\$50,515,202	\$40,665,644	\$71,262,644
None	M = \$2000	\$79,504,786	\$61,775,080	\$48,270,107	\$38,595,631	\$68,439,810
None	M = \$1500	\$73,885,149	\$57,762,805	\$44,971,395	\$35,852,313	\$64,084,290
None	M = \$1000	\$62,864,137	\$49,760,484	\$38,694,338	\$30,698,545	\$54,964,382
\$100,000	None	\$88,837,953	\$70,553,900	\$56,300,496	\$45,425,065	\$78,553,034
\$100,000	M = \$2500	\$80,164,471	\$63,378,475	\$50,379,444	\$40,568,124	\$71,165,124
\$100,000	M = \$2000	\$76,983,232	\$60,712,654	\$48,134,349	\$38,498,111	\$68,342,290
\$100,000	M = \$1500	\$71,790,095	\$56,771,879	\$44,835,638	\$35,754,793	\$63,986,770
\$100,000	M = \$1000	\$61,364,703	\$48,893,851	\$38,558,581	\$30,601,025	\$54,866,862
\$75,000	None	\$87,244,756	\$69,678,779	\$55,806,500	\$45,202,565	\$78,059,038
\$75,000	M = \$2500	\$78,852,250	\$62,591,838	\$49,885,448	\$40,345,624	\$70,671,128
\$75,000	M = \$2000	\$75,813,170	\$60,024,017	\$47,651,121	\$38,275,611	\$67,859,062
\$75,000	M = \$1500	\$70,812,716	\$56,199,242	\$44,442,634	\$35,532,293	\$63,593,766
\$75,000	M = \$1000	\$60,598,824	\$48,469,231	\$38,265,577	\$30,398,345	\$54,573,858
\$50,000	None	\$81,815,889	\$66,926,875	\$54,262,963	\$44,233,838	\$76,515,500
\$50,000	M = \$2500	\$74,037,877	\$60,252,785	\$48,606,295	\$39,499,553	\$69,391,974
\$50,000	M = \$2000	\$71,198,193	\$57,860,464	\$46,501,348	\$37,557,039	\$66,709,288
\$50,000	M = \$1500	\$66,528,640	\$54,230,654	\$43,461,305	\$34,941,221	\$62,612,437
\$50,000	M = \$1000	\$56,927,536	\$46,793,598	\$37,474,781	\$29,965,683	\$53,783,062
\$30,000	None	\$61,859,852	\$52,271,226	\$43,644,736	\$36,443,445	\$61,859,852
\$30,000	M = \$2500	\$57,544,713	\$48,405,524	\$40,202,906	\$33,412,458	\$57,544,713
\$30,000	M = \$2000	\$55,735,309	\$46,886,485	\$38,881,602	\$32,156,908	\$55,735,309
\$30,000	M = \$1500	\$52,782,775	\$44,400,993	\$36,755,703	\$30,354,890	\$52,782,775
\$30,000	M = \$1000	\$45,771,944	\$38,782,480	\$32,048,542	\$26,350,552	\$45,771,944
\$20,000	None	\$46,558,143	\$40,297,014	\$34,573,391	\$29,577,530	\$46,558,143
\$20,000	M = \$2500	\$43,658,015	\$37,612,358	\$32,089,943	\$27,282,260	\$43,658,015
\$20,000	M = \$2000	\$42,581,195	\$36,648,269	\$31,235,079	\$26,484,711	\$42,581,195
\$20,000	M = \$1500	\$40,659,053	\$35,058,313	\$29,831,120	\$25,242,203	\$40,659,053
\$20,000	M = \$1000	\$35,590,166	\$30,735,976	\$26,161,650	\$22,119,121	\$35,590,166

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TABLE A19. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 3%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$609	\$591	\$583	\$568	\$497
\$10,000 - \$19,999	\$772	\$698	\$674	\$635	\$558
\$20,000 - \$29,999	\$949	\$856	\$812	\$741	\$638
\$30,000 - \$49,999	\$1,191	\$963	\$892	\$799	\$651
\$50,000 - \$74,999	\$820	\$697	\$645	\$587	\$500
\$75,000 - \$99,999	\$1,754	\$1,576	\$1,380	\$1,148	\$851
\$100,000 - \$149,999	\$956	\$956	\$937	\$866	\$742
\$150,000 - \$199,999	\$550	\$550	\$550	\$550	\$550
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A20. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 4%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$631	\$612	\$604	\$587	\$515
\$10,000 - \$19,999	\$705	\$631	\$606	\$570	\$500
\$20,000 - \$29,999	\$893	\$799	\$753	\$682	\$580
\$30,000 - \$49,999	\$1,179	\$933	\$846	\$744	\$602
\$50,000 - \$74,999	\$1,074	\$890	\$800	\$683	\$550
\$75,000 - \$99,999	\$1,168	\$1,168	\$1,142	\$929	\$693
\$100,000 - \$149,999	\$528	\$528	\$528	\$528	\$528
\$150,000 - \$199,999	\$0	\$0	\$0	\$0	\$0
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

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TABLE A21. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR W = 5%, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$635	\$615	\$607	\$588	\$516
\$10,000 - \$19,999	\$687	\$605	\$578	\$541	\$473
\$20,000 - \$29,999	\$860	\$768	\$711	\$641	\$530
\$30,000 - \$49,999	\$1,349	\$1,054	\$935	\$794	\$626
\$50,000 - \$74,999	\$1,479	\$1,292	\$1,097	\$902	\$661
\$75,000 - \$99,999	\$904	\$904	\$904	\$904	\$824
\$100,000 - \$149,999	\$473	\$473	\$473	\$473	\$473
\$150,000 - \$199,999	\$0	\$0	\$0	\$0	\$0
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

TABLE A22. AVERAGE CREDIT FOR RENTERS BY INCOME GROUP FOR PROGRESSIVE W, AGE 62 AND OVER

Income Group	No Max Credit	M = \$2500	M = \$2000	M = \$1500	M = \$1000
Less than \$10,000	\$639	\$622	\$614	\$597	\$523
\$10,000 - \$19,999	\$861	\$786	\$760	\$716	\$626
\$20,000 - \$29,999	\$1,074	\$975	\$924	\$851	\$715
\$30,000 - \$49,999	\$1,191	\$963	\$892	\$799	\$651
\$50,000 - \$74,999	\$1,074	\$890	\$800	\$683	\$550
\$75,000 - \$99,999	\$1,168	\$1,168	\$1,142	\$929	\$693
\$100,000 - \$149,999	\$473	\$473	\$473	\$473	\$473
\$150,000 - \$199,999	\$0	\$0	\$0	\$0	\$0
\$200,000 - \$299,999	\$0	\$0	\$0	\$0	\$0
\$300,000 or more	\$0	\$0	\$0	\$0	\$0

About the Author

John V. Winters is a research associate in the Fiscal Research Center of the Andrew Young School of Policy Studies at Georgia State University and is currently finishing his Ph.D. in Economics. His research interests include state and local public finance, urban and regional economics, and the economics of education. John Winters is from Mississippi and holds a B.A. in economics from Mississippi State University and a M.A. in economics from Georgia State University.

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A Targeted Property Tax Relief Program for Georgia

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