

Summary of Characteristics of Households with Property Taxes Greater Than 6 Percent of Income

The following table shows the distribution of homeowners by the percentage of income paid in property taxes. The table is also broken into two age groups: homeowners above age 65 and homeowners under age 65.

Number of Homeowners by Percent of Income Paid in Tax and by Age

Property Tax as a Percent of Income 2002	Person's Age				All	
	Under 65		Over 65			
	Households	Percent	Households	Percent	Households	Percent
less than 1%	63,209	63.41	36,473	36.59	99,682	100.00
1% to 2%	230,858	84.05	43,808	15.95	274,666	100.00
2% to 3%	359,939	87.27	52,506	12.73	412,445	100.00
3% to 4%	260,701	81.22	60,271	18.78	320,972	100.00
4% to 5%	131,130	79.09	34,658	20.91	165,788	100.00
5% to 6%	91,298	78.11	25,580	21.89	116,878	100.00
6% to 7%	41,412	74.90	13,880	25.10	55,292	100.00
7% to 8%	21,448	71.13	8,706	28.87	30,154	100.00
over 8%	65,347	73.55	23,501	26.45	88,848	100.00
All	1,265,342	80.87	299,383	19.13	1,564,725	100.00

Source: Homeowner Property Tax Model 2002

Over 174,000 households have property tax payments equal to or greater than 6 percent of household income. This represents 11 percent of all homeowners. Typical property taxes as a percentage of income range from 1.73 percent of income for households with incomes over \$130,000 to 5.77 percent of income for households with incomes under \$20,000. Therefore, 6 percent is higher than an average or typical property tax burden for any income group.

Of the 174,000 households with relatively high property taxes, 26 percent are over age 65 and 74 percent are under age 65. Although over-age-65 households do not constitute the majority of households with high property taxes, they are a disproportionately high percentage. Over-age-65 homeowners are only 19 percent of all homeowners. The following table shows characteristics broken down by age of homeowners with relatively high property taxes.

**Characteristics of Homeowners with Property Tax Payments Over 6% of Income by Age
(percentages are approximate)**

	Homeowners over 65 with property tax greater than 6% of income	Homeowners under 65 with property tax greater than 6% of income
Percent with income 30K and under	70%	65%
Percent that receive Social Security	95%	20%
Percent that receive either pensions, Unemployment Insurance or workers Compensation	40%	25%
Percent with only one household member	40%	25%
Percent with more than 2 family members	2%	40%
Percent that own their house free and clear	80%	30%
Percent with houses assessed over \$270,000	45%	45%

Summary for Home Owners with Property Taxes Over 6 Percent That Are Over Age 65

The majority of homeowners age 65 and older with high property taxes as a percentage of income seem to be on a fixed income. Many probably do not receive income other than Social Security. A significant percentage of these homeowners are probably widows and widowers. High growth in the value of their home and/or considerably reduced post-retirement income are the most likely causes for their relatively high property tax burdens. Senior Citizens with income under \$30,000 qualify for a full or partial exemption from property tax. Many of these high tax households appear to qualify for the exemption, but are not taking advantage of it.

Summary for Home Owners with Property Taxes Over 6 Percent That Are Under Age 65

Either high growth in home values and/or drastic changes in income have caused these homeowners to pay disproportionately high property taxes. Up to 25 percent could have had a sudden change in income due to unemployment or disability. Others may have had reduced income due to divorce. A large percentage of these households appear to have children (at least 40 percent). In addition to high property taxes, many of these families bear the costs of mortgages and the costs of raising children.