



## TAX RELIEF FOR AMERICAN HOMEOWNERS 28 MILLION CAN RECEIVE NEW PROPERTY TAX DEDUCTION UNDER BAUCUS-GRASSLEY HOUSING AMENDMENT

An estimated 71.8 million American homeowners who pay property taxes to their State and local governments. But only 43.5 million receive a Federal tax deduction for those taxes – those who itemize on their annual returns. The housing tax package crafted by Senate Finance Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa) would make that tax relief available to all homeowners, whether they itemize or not. The “Non-Itemizer Real Property Tax Deduction” provides a standard deduction – \$500 for single filers and \$1,000 for joint filers – for one year, reaching 28.3 million American homeowners who deserve property tax relief.

Based on the most recent available data (2005), the Congressional Research Service has prepared the following table estimating how many Americans in each state may benefit from this standard property tax deduction.<sup>1</sup>

### Potential Taxpayers Benefiting from Standard Property Tax Deduction – from Most Recent Data (2005)

State	Owner Occupied Housing Units	Returns with Real Estate Property Taxes Paid Deduction	Tax Units that May Benefit from a New Deduction for Property Taxes Paid	Median Property Taxes Paid
Alabama	1,261,475	498,063	763,412	\$302
Alaska	147,019	79,047	67,972	\$2,241
Arizona	1,502,457	864,688	637,769	\$1,133
Arkansas	736,825	236,686	500,139	\$459
California	7,070,138	5,224,002	1,846,136	\$2,278
Colorado	1,233,695	827,901	405,794	\$1,297
Connecticut	919,943	700,479	219,464	\$3,865
Delaware	229,860	133,441	96,419	\$806
District of Columbia	105,518	79,592	25,926	\$1,444
Florida	4,903,949	2,366,979	2,536,970	\$1,495
Georgia	2,218,217	1,334,250	883,967	\$1,050
Hawaii	256,578	160,465	96,113	\$924
Idaho	379,948	197,145	182,803	\$1,226
Illinois	3,277,573	1,930,765	1,346,808	\$2,904
Indiana	1,759,089	817,292	941,797	\$1,079
Iowa	877,796	388,095	489,701	\$1,355

<sup>1</sup> CRS notes that post-2005 fluctuations in the real estate market may have resulted in changes to the potential number of beneficiaries in each state.



**Potential Taxpayers Benefiting from Standard Property Tax Deduction  
from Most Recent Data (2005)**

<b>State</b>	<b>Owner Occupied Housing Units</b>	<b>Returns with Real Estate Property Taxes Paid Deduction</b>	<b>Tax Units that May Benefit from a New Deduction for Property Taxes Paid</b>	<b>Median Property Taxes Paid</b>
Kansas	744,580	355,493	389,087	\$1,337
Kentucky	1,167,973	496,098	671,875	\$693
Louisiana	1,136,873	250,970	885,903	\$175
Maine	389,203	185,050	204,153	\$1,742
Maryland	1,438,614	1,110,649	327,965	\$2,159
Massachusetts	1,567,885	1,163,183	404,702	\$2,974
Michigan	2,903,328	1,569,212	1,334,116	\$1,846
Minnesota	1,530,659	959,556	571,103	\$1,618
Mississippi	757,446	239,302	518,144	\$416
Missouri	1,614,217	757,331	856,886	\$1,012
Montana	254,458	124,729	129,729	\$1,309
Nebraska	474,682	227,335	247,347	\$1,889
Nevada	550,125	374,845	175,280	\$1,445
New Hampshire	362,854	225,495	137,359	\$3,920
New Jersey	2,114,072	1,662,729	451,343	\$5,352
New Mexico	504,354	197,843	306,511	\$707
New York	3,936,378	2,503,320	1,433,058	\$3,076
North Carolina	2,325,140	1,260,312	1,064,828	\$966
North Dakota	182,490	49,365	133,125	\$1,326
Ohio	3,152,610	1,671,488	1,481,122	\$1,598
Oklahoma	937,051	400,073	536,978	\$635
Oregon	909,113	613,367	295,746	\$1,910
Pennsylvania	3,474,048	1,721,496	1,752,552	\$1,937
Rhode Island	254,639	177,552	77,087	\$3,071
South Carolina	1,146,620	558,233	588,387	\$642

**Sources:** CRS calculations based on U.S. Census Bureau, American Community Survey, and Internal Revenue Service, Statistics of Income.