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## Wisconsin homeowners oppose federal tax law change that would end mortgage interest deduction

*New survey shows strong opposition to proposal by federal tax study commission*

MADISON – Wisconsin homeowners believe the deductibility of mortgage interest is a strong incentive to buying a home and nearly two-thirds of state residents oppose a recommendation by a federal tax study commission that would eliminate the federal mortgage interest deduction.

In a new statewide survey by the Wisconsin Homeowners Alliance, 62 percent of residents said they would oppose a recommendation by the President's Advisory Panel on Federal Tax Reform to phase out the mortgage interest deduction. Under the proposal, released in November, the deductibility of interest on home equity loans also would disappear.

Bill Malkasian, president of the Wisconsin Realtors Association and a board member of the Wisconsin Homeowners Alliance, said the recent survey emphasizes the need for government officials to consider the perspectives of homeowners before making public policy decisions.

“Whether we’re talking about a change in public services or a shift in federal tax policy, the end result can be a real, chilling effect on local property values,” Malkasian said. “Our research shows that homeowners clearly understand the consequences of ill-considered reform efforts on their quality of life and their family’s finances.”

Detailed results from the latest research may be found in Wisconsin Home magazine and a supplementary publication called Homeowner Insights. Both publications are the work of the Wisconsin Homeowners Alliance, a 501(c)(4) foundation created to give Wisconsin’s 2 million homeowners a voice.

Wisconsin residents believe strongly that it is important for families to have the opportunity to buy a house, and currently, 81 percent of Wisconsin residents do own their own homes, according to the survey. High levels of home ownership are linked to healthy neighborhoods, strong schools and economic growth.

However, the state's high level of home ownership also means proposals with the potential to lower property values or eliminate deductions for homeowners could hit Wisconsin residents especially hard.

Malkasian said the Wisconsin Homeowners Alliance survey numbers bear watching because there are early indications that some older homeowners already are finding it financially more difficult to remain in their homes. Only 16 percent of those aged 65 and older believe the state's economy will improve over the next year while one in four actually believe things will get worse. Meanwhile, 90 percent agree that the cost of basic items is more expensive now than it was a year ago.

Since the state's older homeowners tend to vote more regularly than younger residents, the financial concerns of the older demographic could pave the way for political change in the upcoming election cycle, Malkasian said.

Among other findings of the most recent homeowner's survey:

- Some 80 percent of Wisconsin residents agree with the statement that "Wisconsin cannot compete without a first-class public school system," while 74 percent agree with the statement that "Wisconsin cannot compete without a world-class public university system."
- While one-third of Wisconsin residents believe that the state's economy is an incentive to home ownership, 49 percent say it's a barrier.
- More than half of Wisconsin residents do not escrow their property taxes. While the majority of those under age 45 do escrow, only 40 percent of those age 45 and older do escrow. This difference may be among the reasons why resistance to property taxes increases with age.

The Wisconsin Homeowners Alliance survey included a statistically valid sample of 600 Wisconsin adults. For more on the Alliance, its publications or the recent survey, visit: [www.wisconsinhomeownersalliance.org](http://www.wisconsinhomeownersalliance.org).