



Property Tax Issues

Introduction

OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

Revenue and Taxation Interim Committee

June 16, 2021



2021 General Session S.B. 26

- **Expanded eligibility for circuit breaker for both homeowners and renters by increasing income thresholds in three ways:**
 - Excluded SSDI from the definition of income
 - Excluded income earned by minors, parents, or grandparents living with the claimant
 - Changed the annual inflation adjustor used on the income threshold from the regular CPI to the CPI housing, which is increasing faster
- **Clarified that a homeowner who buys or sells a home after January 1 is not eligible for circuit breaker during the year of the transaction**



Personal Property Exemptions

	Aggregate value exemption	\$1000 item exemption	\$500 item exemption
Eligibility	Total aggregate value per county of \$15,300 or less exempt	<ul style="list-style-type: none"> Acquisition cost of \$1000 or less Percent good of 15% or less Residual value of 15% or less 	<ul style="list-style-type: none"> Acquisition cost of less than \$500 Owned by a business
Signed statement requirement*	<ul style="list-style-type: none"> Allowed for 1st year claimed After 1st year taxpayer may only be required to certify eligibility Not allowed if signed statement/certification filed for 5 years 	No signed statement requirement allowed	No signed statement requirement allowed
Changes in effect Jan. 1, 2022, per 2021 General Session S.B. 18	<ul style="list-style-type: none"> Increased from \$15,300 to \$25,000 Increased exemption amount will result in a net tax reduction, not a tax shift 	Exemption eliminated	Reinstated requirement that item be “not critical” to the business operation

*landlord owned residential personal property: signed statement allowed for 1st year; certification subsequent years



2021 General Session S.B. 52

- **Addressed eligibility for property tax deferral for certain homeowners**
 - Owner of single-family residence
 - Owner's primary residence
 - Approval from holder of each outstanding mortgage or trust deed
 - Value of residence no more than 100% median property value for single-family residences within county OR continuous ownership for 20 years or more
 - Owner at least 75 years old
 - Household income no more than 200% of the max that would qualify for circuit breaker relief
- **Addressed whether a county is required to grant a property tax deferral to eligible homeowners**
 - County discretion from January 1, 2021, to December 31, 2023
 - Mandatory on or after January 1, 2024
- **Modified the interest rate from the lesser of 6% and the federal funds rate to 50% of the interest rate for delinquent property taxes**