

PROPERTY TAX RELIEF AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill modifies provisions relating to the property tax relief commonly known as "circuit breaker."

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the income qualifications for circuit breaker tax relief;
- ▶ authorizes the State Tax Commission to make rules to establish the circumstances that would allow an extension of the application deadline for circuit breaker tax relief; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1202, as last amended by Laws of Utah 2021, Chapter 391

59-2-1220, as last amended by Laws of Utah 2021, Chapter 391

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-1202** is amended to read:

59-2-1202. Definitions.

As used in this part:

(1) (a) "Claimant" means a homeowner or renter who:

(i) files a claim under this part for a residence;

(ii) is domiciled in this state for the entire calendar year for which a claim for relief is

33 filed under this part; and

34 (iii) on or before December 31 of the year for which a claim for relief is filed under this
35 part, is:

36 (A) 66 years old or older if the individual was born on or before December 31, 1959; or

37 (B) 67 years old or older if the individual was born on or after January 1, 1960.

38 (b) Notwithstanding Subsection (1)(a), "claimant" includes a surviving spouse:

39 (i) regardless of:

40 (A) the age of the surviving spouse; or

41 (B) the age of the deceased spouse at the time of death;

42 (ii) if the surviving spouse meets the requirements of this part except for the age
43 requirement;

44 (iii) if the surviving spouse is part of the same household of the deceased spouse at the
45 time of death of the deceased spouse; and

46 (iv) if the surviving spouse is unmarried at the time the surviving spouse files the
47 claim.

48 (c) If two or more individuals of a household are able to meet the qualifications for a
49 claimant, they may determine among them as to who the claimant shall be, but if they are
50 unable to agree, the matter shall be referred to the county legislative body for a determination
51 of the claimant of an owned residence and to the commission for a determination of the
52 claimant of a rented residence.

53 (2) "Consumer price index housing" means the Consumer Price Index - All Urban
54 Consumers, Housing United States Cities Average, published by the Bureau of Labor Statistics
55 of the United States Department of Labor.

56 (3) (a) "Gross rent" means rent actually paid in cash or its equivalent solely for the
57 right of occupancy, at arm's-length, of a residence, exclusive of charges for any utilities,
58 services, furniture, furnishings, or personal appliances furnished by the landlord as a part of the
59 rental agreement.

60 (b) If a claimant occupies two or more residences in the year, "gross rent" means the
61 total rent paid for the residences during the one-year period for which the renter files a claim
62 under this part.

63 (4) (a) "Homeowner" means:

- 64 (i) an individual whose name is listed on the deed of a residence; or
- 65 (ii) if a residence is owned in a qualifying trust, an individual who is a grantor, trustor,
- 66 or settlor or holds another similar role in the trust.
- 67 (b) "Homeowner" does not include:
- 68 (i) if a residence is owned by any type of entity other than a qualifying trust, an
- 69 individual who holds an ownership interest in that entity; or
- 70 (ii) an individual who is listed on a deed of a residence along with an entity other than
- 71 a qualifying trust.
- 72 (5) "Homeowner's credit" means a credit against a claimant's property tax liability.
- 73 (6) "Household" means the association of individuals who live in the same dwelling,
- 74 sharing the dwelling's furnishings, facilities, accommodations, and expenses.
- 75 (7) (a) Except as provided in Subsection (7)(b), "household income" means all income
- 76 received by all members of a claimant's household in:
- 77 (i) for a claimant who owns a residence, the calendar year preceding the calendar year
- 78 in which property taxes are due; or
- 79 (ii) for a claimant who rents a residence, the year for which a claim is filed.
- 80 (b) "Household income" does not include income received by a member of a claimant's
- 81 household who is:
- 82 (i) under the age of 18; or
- 83 (ii) a parent or a grandparent, through blood, marriage, or adoption, of the claimant or
- 84 the claimant's spouse.
- 85 (8) ~~[(a)]~~ "Income" means the sum of:
- 86 ~~[(i)]~~ (a) federal adjusted gross income as defined in Section 62, Internal Revenue Code;
- 87 and
- 88 ~~[(ii)]~~ (b) nontaxable income.
- 89 ~~[(b)]~~ "Income" does not include:
- 90 ~~[(i)]~~ aid, assistance, or contributions from a tax-exempt nongovernmental source;
- 91 ~~[(ii)]~~ surplus foods;
- 92 ~~[(iii)]~~ relief in kind supplied by a public or private agency;
- 93 ~~[(iv)]~~ relief provided under this part or Part 18, Tax Deferral and Tax Abatement; or]
- 94 ~~[(v)]~~ Social Security Disability Income payments received under the Social Security

95 Act.]

96 (9) (a) "Nontaxable income" means amounts excluded from adjusted gross income
97 under the Internal Revenue Code, including:

98 ~~(a)~~ (i) capital gains;

99 ~~(b)~~ (ii) loss carry forwards claimed during the taxable year in which a claimant files
100 for relief under this part or Part 18, Tax Deferral and Tax Abatement;

101 ~~(c)~~ (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on
102 the residence for which the claimant files for relief under this part or Part 18, Tax Deferral and
103 Tax Abatement;

104 ~~(d)~~ (iv) support money received;

105 ~~(e)~~ (v) nontaxable strike benefits;

106 ~~(f) cash public assistance or relief;~~

107 ~~(g)~~ (vi) the gross amount of a pension or annuity, including benefits under the
108 Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability pensions;

109 ~~(h)~~ (vii) except for payments described in Subsection ~~[(8)(b)(v)]~~ (9)(b)(vi), payments
110 received under the Social Security Act;

111 ~~(i)~~ (viii) state unemployment insurance amounts;

112 ~~(j)~~ (ix) nontaxable interest received from any source;

113 ~~(k)~~ (x) workers' compensation;

114 ~~(l)~~ (xi) the gross amount of "loss of time" insurance; and

115 ~~(m)~~ (xii) voluntary contributions to a tax-deferred retirement plan.

116 (b) "Nontaxable income" does not include:

117 (i) public assistance;

118 (ii) aid, assistance, or contributions from a tax-exempt nongovernmental source;

119 (iii) surplus foods;

120 (iv) relief in kind supplied by a public or private agency;

121 (v) relief provided under this part of Part 18, Tax Deferral and Tax Abatement;

122 (vi) Social Security Disability Income payments received under the Social Security

123 Act;

124 (vii) federal tax refunds;

125 (viii) federal child tax credits received under 26 U.S.C. Sec. 24;

- 126 (ix) federal earned income tax credits received under 26 U.S.C. Sec. 32;
127 (x) payments received under a reverse mortgage;
128 (xi) payments or reimbursements to senior program volunteers under 42 U.S.C. Sec.
129 5058; or
130 (xii) gifts or bequests.
- 131 (10) (a) "Property taxes accrued" means property taxes, exclusive of special
132 assessments, delinquent interest, and charges for service, levied on 35% of the fair market
133 value, as reflected on the assessment roll, of a claimant's residence in this state.
- 134 (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the
135 land upon which the home is situated and on the structure of the home itself, whether classified
136 as real property or personal property taxes.
- 137 (c) The relief described in Subsection (10)(a) constitutes:
- 138 (i) a tax abatement for the poor in accordance with Utah Constitution, Article XIII,
139 Section 3; and
- 140 (ii) the residential exemption provided for in Section 59-2-103.
- 141 (d) For purposes of this Subsection (10), property taxes accrued are levied on the lien
142 date.
- 143 (e) When a household owns and occupies two or more different residences in this state
144 in the same calendar year, and neither residence is acquired or sold during the calendar year for
145 which relief is claimed under this part, property taxes accrued shall relate only to the residence
146 occupied on the lien date by the household as the household's principal place of residence.
- 147 (f) (i) If a residence is an integral part of a large unit such as a farm or a multipurpose
148 or multidwelling building, property taxes accrued shall be calculated on the percentage that the
149 value of the residence is of the total value of the unit.
- 150 (ii) For purposes of this Subsection (10)(f), "unit" refers to the parcel of property
151 covered by a single tax statement of which the residence is a part.
- 152 (11) "Public assistance" means:
- 153 (a) medical assistance provided under Title 26B, Chapter 3, Health Care -
154 Administration and Assistance;
- 155 (b) SNAP benefits as defined in Section 35A-1-102;
- 156 (c) services or benefits provided under Title 35A, Chapter 3, Employment Support Act;

157 and

158 (d) foster care maintenance payments provided from the General Fund or under Title
159 IV-E of the Social Security Act.

160 ~~(11)~~ (12) "Qualifying trust" means a trust holding title to real or tangible personal
161 property for which an individual:

162 (a) makes a claim under this part;

163 (b) proves to the satisfaction of the county that title to the portion of the trust will
164 revest in the individual upon the exercise of a power:

165 (i) by:

166 (A) the individual as grantor, trustor, settlor, or in another similar role of the trust;

167 (B) a nonadverse party; or

168 (C) both the individual and a nonadverse party; and

169 (ii) regardless of whether the power is a power:

170 (A) to revoke;

171 (B) to terminate;

172 (C) to alter;

173 (D) to amend; or

174 (E) to appoint; and

175 (c) is obligated to pay the taxes on that portion of the trust property beginning January
176 1 of the year the individual makes the claim.

177 ~~(12)~~ (13) (a) "Rental assistance payment" means any payment that:

178 (i) is made by a:

179 (A) governmental entity;

180 (B) charitable organization; or

181 (C) religious organization; and

182 (ii) is specifically designated for the payment of rent of a claimant:

183 (A) for the calendar year for which the claimant seeks a renter's credit under this part;

184 and

185 (B) regardless of whether the payment is made to the claimant or the landlord.

186 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
187 commission may make rules defining the terms:

- 188 (i) "governmental entity";
189 (ii) "charitable organization"; or
190 (iii) "religious organization."

191 ~~[(13)]~~ (14) (a) (i) "Residence" means the dwelling in this state, whether owned or
192 rented, and so much of the land surrounding the dwelling, not exceeding one acre, as is
193 reasonably necessary for use of the dwelling as a home.

194 (ii) "Residence" includes a dwelling that is:

195 (A) a part of a multidwelling or multipurpose building and a part of the land upon
196 which the multidwelling or multipurpose building is built; and

197 (B) a mobile home or houseboat.

198 (b) "Residence" does not include personal property such as furniture, furnishings, or
199 appliances.

200 (c) For purposes of this Subsection ~~[(13)]~~ (14), "owned" includes a vendee in
201 possession under a land contract or one or more joint tenants or tenants in common.

202 Section 2. Section **59-2-1220** is amended to read:

203 **59-2-1220. Extension of time for filing application -- Rulemaking authority --**
204 **County authority to make refunds.**

205 (1) (a) The commission or a county may extend the time for filing an application until
206 December 31 of the year the application is required to be filed~~;~~ if, subject to any rules made
207 by the commission under Subsection (1)(b), the commission or county finds that good cause
208 exists to extend the deadline.

209 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
210 commission may make rules to establish the circumstances under which the commission or a
211 county may, for good cause, extend the deadline for filing an application under Subsection
212 (1)(a).

213 (2) (a) For purposes of this Subsection (2):

214 (i) "Abatement" means the amount of property taxes accrued that constitutes a tax
215 abatement for the poor in accordance with Subsection 59-2-1202(10).

216 (ii) "Credit" means a homeowner's credit or renter's credit authorized by this part.

217 (iii) "Property taxes due" means the taxes due on a claimant's property:

218 (A) for which the county or the commission grants an abatement or a credit; and

- 219 (B) for the calendar year for which the abatement or credit is granted.
- 220 (iv) "Property taxes paid" is an amount equal to the sum of:
- 221 (A) the amount of the property taxes paid for the taxable year for which the claimant is
- 222 applying for the abatement or credit; and
- 223 (B) the amount of the abatement or credit the county or the commission grants.
- 224 (b) A county or the commission granting an abatement or a credit to a claimant shall
- 225 refund to that claimant an amount equal to the amount by which the claimant's property taxes
- 226 paid exceed the claimant's property taxes due, if that amount is \$1 or more.

227 Section 3. **Effective date.**

228 This bill takes effect on May 1, 2024.

229 Section 4. **Retrospective operation.**

230 This bill has retrospective operation for a taxable year beginning on or after January 1,
231 2024.