

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

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

37 (b) If a claimant occupies two or more residences in the year and does not own the
38 residence as of the lien date, "gross rent" means the total rent paid for the residences during the
39 one-year period for which the renter files a claim under this part.

40 (3) "Homeowner's credit" means a credit against a claimant's property tax liability.

41 (4) "Household" means the association of persons who live in the same dwelling,
42 sharing its furnishings, facilities, accommodations, and expenses.

43 (5) "Household income" means all income received by all persons of a household in:

44 (a) the calendar year [~~next~~] preceding the calendar year in which property taxes are
45 due; or

46 (b) [~~in the case of renters~~] for purposes of the renter's credit authorized by this part, the
47 year [in] for which a claim is filed.

48 (6) (a) (i) "Income" means the sum of:

49 (A) federal adjusted gross income as defined in Section 62, Internal Revenue Code;

50 and

51 (B) all nontaxable income as defined in Subsection (6)(b).

52 (ii) "Income" does not include:

53 (A) aid, assistance, or contributions from a tax-exempt nongovernmental source;

54 (B) surplus foods;

55 (C) relief in kind supplied by a public or private agency; or

56 (D) relief provided under this part, Section 59-2-1108, or Section 59-2-1109.

57 (b) For purposes of Subsection (6)(a)(i), "nontaxable income" means amounts excluded
58 from adjusted gross income under the Internal Revenue Code, including:

- 59 (i) capital gains;
- 60 (ii) loss carry forwards claimed during the taxable year in which a claimant files for
61 relief under this part, Section 59-2-1108, or Section 59-2-1109;
- 62 (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on the
63 residence for which the claimant files for relief under this part, Section 59-2-1108, or Section
64 59-2-1109;
- 65 (iv) support money received;
- 66 (v) nontaxable strike benefits;
- 67 (vi) cash public assistance or relief;
- 68 (vii) the gross amount of a pension or annuity, including benefits under the Railroad
69 Retirement Act of 1974, 45 U.S.C. Sec. 231, and veterans disability pensions;
- 70 (viii) payments received under the Social Security Act;
- 71 (ix) state unemployment insurance amounts;
- 72 (x) nontaxable interest received from any source;
- 73 (xi) workers' compensation;
- 74 (xii) the gross amount of "loss of time" insurance; and
- 75 (xiii) voluntary contributions to a tax-deferred retirement plan.
- 76 (7) (a) "Property taxes accrued" means property taxes, exclusive of special
77 assessments, delinquent interest, and charges for service, levied on a claimant's residence in
78 this state.
- 79 (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the
80 land upon which the home is situated and on the structure of the home itself, whether classified
81 as real property or personal property taxes.
- 82 (c) (i) Beginning on January 1, 1999, for a claimant who owns a residence, "property
83 taxes accrued" are the property taxes described in Subsection (7)(a) levied for the calendar year
84 on 35% of the fair market value of the residence as reflected on the assessment roll.
- 85 (ii) The amount described in Subsection (7)(c)(i) constitutes:
- 86 (A) a tax abatement for the poor in accordance with Utah Constitution Article XIII,
87 Section 2; and
- 88 (B) the residential exemption provided for in Section 59-2-103.
- 89 (d) (i) For purposes of this Subsection (7) property taxes accrued are levied on the lien

90 date.

91 (ii) If a claimant owns a residence on the lien date, property taxes accrued mean taxes
92 levied on the lien date, even if that claimant does not own a residence for the entire year.

93 (e) When a household owns and occupies two or more different residences in this state
94 in the same calendar year, property taxes accrued shall relate only to the residence occupied on
95 the lien date by the household as its principal place of residence.

96 (f) (i) If a residence is an integral part of a large unit such as a farm or a multipurpose
97 or multidwelling building, property taxes accrued shall be the same percentage of the total
98 property taxes accrued as the value of the residence is of the total value.

99 (ii) For purposes of this Subsection (7)(f), "unit" refers to the parcel of property
100 covered by a single tax statement of which the residence is a part.

101 (8) (a) As used in this section, "rental assistance payment" means any payment that:

102 (i) is made by a:

103 (A) governmental entity; or

104 (B) (I) charitable organization; or

105 (II) religious organization; and

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

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

108 and

109 (B) regardless of whether the payment is made to the:

110 (I) claimant; or

111 (II) landlord; and

112 (b) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
113 commission may make rules defining the terms:

114 (i) governmental entity;

115 (ii) charitable organization; or

116 (iii) religious organization.

117 [~~8~~] (9) (a) "Residence" means the dwelling, whether owned or rented, and so much of
118 the land surrounding it, not exceeding one acre, as is reasonably necessary for use of the
119 dwelling as a home, and may consist of a part of a multidwelling or multipurpose building and
120 a part of the land upon which it is built and includes a mobile home or houseboat.

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

123 (c) For purposes of this Subsection ~~(8)~~ (9), "owned" includes a vendee in possession
 124 under a land contract or one or more joint tenants or tenants in common.

125 Section 2. Section **59-2-1208** is amended to read:

126 **59-2-1208. Amount of homeowner's credit -- Cost-of-living adjustment --**
 127 **Limitation -- General Fund as source of credit.**

128 (1) (a) ~~For taxable~~ Subject to Subsection (2), for calendar years beginning on or after
 129 January 1, ~~1998~~ 2003, a claimant ~~is entitled to~~ may claim a homeowner's credit that does
 130 not exceed the following amounts:

131	If household income is	Homeowner's credit
132	\$0 -- [\$7,358] <u>\$8,242</u>	[\$577] <u>\$892</u>
133	[\$7,359] <u>\$8,243</u> -- [\$9,812] <u>\$10,991</u>	[\$504] <u>\$778</u>
134	[\$9,813] <u>\$10,992</u> -- [\$12,264] <u>\$13,738</u>	[\$432] <u>\$668</u>
135	[\$12,265] <u>\$13,739</u> -- [\$14,717] <u>\$16,485</u>	[\$324] <u>\$500</u>
136	[\$14,718] <u>\$16,486</u> -- [\$17,171] <u>\$19,234</u>	[\$252] <u>\$389</u>
137	[\$17,172] <u>\$19,235</u> -- [\$19,479] <u>\$21,820</u>	[\$144] <u>\$223</u>
138	[\$19,480] <u>\$21,821</u> -- [\$21,644] <u>\$24,245</u>	[\$71] <u>\$109</u>

139 (b) (i) For ~~taxable~~ calendar years beginning on or after January 1, ~~1999~~ 2004, the
 140 commission shall increase or decrease the household income eligibility amounts and the credits
 141 under Subsection (1)(a) ~~in~~ by a percentage equal to the percentage difference between the
 142 consumer price index for the preceding calendar year and the consumer price index for
 143 calendar year ~~1997~~ 2002.

144 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer
 145 price index as provided in Sections ~~(1)(f)(4)~~ 1(f)(4) and ~~(1)(f)(5)~~ 1(f)(5), Internal Revenue
 146 Code.

147 (2) An individual who is claimed as a personal exemption on another individual's
 148 return individual income tax return during any portion of a calendar year for which the
 149 individual seeks to claim a homeowner's credit under this section may not receive ~~a~~ the
 150 homeowner's credit.

151 (3) The homeowner's credit allowed by this section, and provided for in Section

152 59-2-1204, shall be derived from the General Fund and appropriate transfers made to effectuate
 153 this credit.

154 Section 3. Section **59-2-1209** is amended to read:

155 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Limitation --**
 156 **General Fund as source of credit -- Maximum credit -- Renter's credit may be claimed**
 157 **only for rent that does not constitute a rental assistance payment.**

158 (1) (a) ~~For any taxable year~~ Subject to Subsections (2) and (3), for calendar years
 159 beginning on or after January 1, 2003, a claimant ~~[is entitled to]~~ may claim a renter's credit for
 160 the previous calendar year that does not exceed the following amounts:

161 If household income is	Percentage of rent
162 allowed as a credit	
163 \$0 -- [\$7,358] <u>\$8,242</u>	[9.5%] <u>13.5%</u>
164 [\$7,359] <u>\$8,243</u> -- [\$9,812] <u>\$10,991</u>	[8.5%] <u>12%</u>
165 [\$9,813] <u>\$10,992</u> -- [\$12,264] <u>\$13,738</u>	[7.0%] <u>10%</u>
166 [\$12,265] <u>\$13,739</u> -- [\$14,717] <u>\$16,485</u>	[5.5%] <u>7.5%</u>
167 [\$14,718] <u>\$16,486</u> -- [\$17,171] <u>\$19,234</u>	[4.0%] <u>5.5%</u>
168 [\$17,172] <u>\$19,235</u> -- [\$19,479] <u>\$21,820</u>	[3.0%] <u>4%</u>
169 [\$19,480] <u>\$21,821</u> -- [\$21,644] <u>\$24,245</u>	[2.5%] <u>3.5%</u>

170 (b) (i) For ~~[taxable]~~ calendar years beginning on or after January 1, ~~[1999]~~ 2004, the
 171 commission shall increase or decrease the household income eligibility amounts under
 172 Subsection (1)(a) ~~[in]~~ by a percentage equal to the percentage difference between the consumer
 173 price index for the preceding calendar year and the consumer price index for calendar year
 174 ~~[1997]~~ 2002.

175 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer
 176 price index as provided in Sections ~~[(1)(f)(4)]~~ 1(f)(4) and ~~[(1)(f)(5)]~~ 1(f)(5), Internal Revenue
 177 Code.

178 (2) A claimant may claim a renter's credit under this part only for rent that does not
 179 constitute a rental assistance payment.

180 ~~[(2)]~~ (3) An individual who is claimed as a personal exemption on another individual's
 181 [return] individual income tax return during any portion of a calendar year for which the
 182 individual seeks to claim a renter's credit under this section may not receive a renter's credit.

183 [~~3~~] (4) The renter's credit allowed by this section, and provided for in Section
184 59-2-1204, shall be derived from the General Fund and appropriate transfers made to effectuate
185 this credit.

186 [~~4~~] (5) For [~~taxable~~] calendar years beginning on or after January 1, 1998, a credit
187 under this section may not exceed the maximum amount allowed as a homeowner's credit for
188 each income bracket under Subsection 59-2-1208(1)(a).

189 **Section 4. Repealer.**

190 This act repeals:

191 Section **59-2-1218, Recipients of public funds for payment of rent ineligible for**
192 **refund.**

193 **Section 5. Retrospective operation.**

194 This act has retrospective operation to January 1, 2003.

Legislative Review Note
as of 11-21-02 2:56 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Interim Committee Note
as of 12-12-02 3:49 PM

The Revenue and Taxation Interim Committee recommended this bill.

Fiscal Note
Bill Number HB0022

Property Tax Relief

12-Feb-03
10:55 AM

State Impact

Passage of this bill could reduce the General Fund by \$1,850,000 in FY 2004 and by \$1,900,000 in FY 2005.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
General Fund	\$0	\$0	(\$1,850,000)	(\$1,900,000)
TOTAL	\$0	\$0	(\$1,850,000)	(\$1,900,000)

Individual and Business Impact

Passage of this bill could benefit eligible taxpayers by as much as \$315.

Office of the Legislative Fiscal Analyst