

CIRCUIT BREAKER AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim M. Cosgrove

Senate Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This bill amends the Property Tax Act to amend the household income qualifying limits of some claimants applying for certain property tax relief programs.

Highlighted Provisions:

This bill:

▶ decreases a claimant's household income by \$1,000 for ~~Ⓢ~~ **[each dependent claimed]** a dependant that the claimant is eligible to claim ~~←Ⓢ~~ on the claimant's federal taxes for purposes of qualifying for a homeowner's credit for a maximum household income decrease of ~~Ⓢ~~ **[\$2,000]** \$1,000 ~~←Ⓢ~~ ;

▶ decreases a claimant's household income by \$1,000 for ~~Ⓢ~~ **[each dependent claimed]** a dependant that the claimant is eligible to claim ~~←Ⓢ~~ on the claimant's federal taxes for purposes of qualifying for a renter's credit for a maximum household income decrease of ~~Ⓢ~~ **[\$2,000]** \$1,000 ~~←Ⓢ~~ ; and

▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on January 1, 2010.

Utah Code Sections Affected:

AMENDS:

59-2-1208, as last amended by Laws of Utah 2006, Chapter 363

59-2-1209, as last amended by Laws of Utah 2006, Chapter 363



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

Section 1. Section **59-2-1208** is amended to read:

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

(1) (a) Subject to ~~[Subsection]~~ Subsections (2) and (4), for calendar years beginning on or after January 1, 2007, a claimant may claim a homeowner's credit that does not exceed the following amounts:

If household income is	Homeowner's credit
\$0 -- \$9,159	\$798
\$9,160 -- \$12,214	\$696
\$12,215 -- \$15,266	\$597
\$15,267 -- \$18,319	\$447
\$18,320 -- \$21,374	\$348
\$21,375 -- \$24,246	\$199
\$24,247 -- \$26,941	\$98

(b) (i) For calendar years beginning on or after January 1, 2008, the commission shall increase or decrease the household income eligibility amounts and the credits under Subsection (1)(a) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2006.

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

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

(3) The homeowner's credit allowed by this section, and provided for in Section 59-2-1204, shall be derived from the General Fund and appropriate transfers made to effectuate this credit.

(4) (a) Subject to Subsection (4)(b), for purposes of calculating a claimant's household income to determine the amount of the claimant's homeowner's credit under Subsection (1), a claimant's household income shall be decreased by \$1,000 for ~~each~~ a dependent with respect to

59 whom a claimant is eligible to make a deduction as allowed as a personal exemption deduction
60 on the claimant's federal individual income tax return for the taxable year for which the
61 household income is calculated.

62 (b) For purposes of Subsection (4)(a):

63 (i) the maximum amount a claimant's household income may be decreased is ~~2,000~~

63a ~~2,000~~ \leftarrow \$1,000 :

64 and

65 (ii) "dependent" does not include the claimant or the claimant's spouse.

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

67 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Limitation --**
68 **General Fund as source of credit -- Maximum credit -- Renter's credit may be claimed**
69 **only for rent that does not constitute a rental assistance payment -- Dependent credit.**

70 (1) (a) Subject to Subsections (2) [~~and~~], (3), and (6), for calendar years beginning on or
71 after January 1, 2007, a claimant may claim a renter's credit for the previous calendar year that
72 does not exceed the following amounts:

If household income is	Percentage of rent allowed as a credit
\$0 -- \$9,159	9.5%
\$9,160 -- \$12,214	8.5%
\$12,215 -- \$15,266	7.0%
\$15,267 -- \$18,319	5.5%
\$18,320 -- \$21,374	4.0%
\$21,375 -- \$24,246	3.0%
\$24,247 -- \$26,941	2.5%

82 (b) (i) For calendar years beginning on or after January 1, 2008, the commission shall
83 increase or decrease the household income eligibility amounts under Subsection (1)(a) by a
84 percentage equal to the percentage difference between the consumer price index for the
85 preceding calendar year and the consumer price index for calendar year 2006.

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

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

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

93 (4) The renter's credit allowed by this section, and provided for in Section 59-2-1204,
94 shall be derived from the General Fund and appropriate transfers made to effectuate this credit.

95 (5) For calendar years beginning on or after January 1, 2007, a credit under this section
96 may not exceed the maximum amount allowed as a homeowner's credit for each income
97 bracket under Subsection 59-2-1208(1)(a).

98 (6) (a) Subject to Subsection (6)(b), for purposes of calculating a claimant's household
99 income to determine the amount of the claimant's renter's credit under Subsection (1), a
100 claimant's household income shall be decreased by \$1,000 for ~~each~~ a dependent with
100a respect to
101 whom a claimant is eligible to make a deduction as allowed as a personal exemption deduction
102 on the claimant's federal individual income tax return for the taxable year for which the
103 household income is calculated.

104 (b) For purposes of Subsection (6)(a):

105 (i) the maximum amount a claimant's household income may be decreased is ~~\$2,000~~
105a \$1,000 ;

106 and

107 (ii) "dependent" does not include the claimant or the claimant's spouse.

108 Section 3. **Effective date.**

109 This bill takes effect on January 1, 2010.

Legislative Review Note
as of 2-25-09 2:03 PM

Office of Legislative Research and General Counsel

H.B. 378 - Circuit Breaker Amendments - As Amended

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill could decrease the General Fund by \$62,300 in FY 2010 and by \$64,200 in FY 2011.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	(\$62,300)	(\$64,200)
Total	\$0	\$0	\$0	\$0	(\$62,300)	(\$64,200)

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses, or local governments. Some lower income taxpayers could receive a reduction in property taxes owed.