

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:

- ▶ for taxable year 2009, decreases a claimant's household income by \$1,000 for a dependent 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 \$1,000;

- ▶ for taxable year 2009, decreases a claimant's household income by \$1,000 for a dependent 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 \$1,000; and

- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation for a taxable year beginning on or after January 1, 2009.

Utah Code Sections Affected:

AMENDS:

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

30 **59-2-1209**, as last amended by Laws of Utah 2006, Chapter 363



31
32 *Be it enacted by the Legislature of the state of Utah:*

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

34 **59-2-1208. Amount of homeowner's credit -- Cost-of-living adjustment --**
35 **Limitation -- General Fund as source of credit -- Dependent credit.**

36 (1) (a) Subject to ~~[Subsection]~~ Subsections (2) and (4), for calendar years beginning
37 on or after January 1, 2007, a claimant may claim a homeowner's credit that does not exceed
38 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

47 (b) (i) For calendar years beginning on or after January 1, 2008, the commission shall
48 increase or decrease the household income eligibility amounts and the credits under
49 Subsection (1)(a) by a percentage equal to the percentage difference between the consumer
50 price index for the preceding calendar year and the consumer price index for calendar year
51 2006.

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

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

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

61 (4) (a) Subject to Subsection (4)(b), for purposes of calculating a claimant's household
 62 income to determine the amount of the claimant's homeowner's credit under Subsection (1),
 63 for the taxable year that begins on January 1, 2009 and ends on December 31, 2009, a
 64 claimant's household income shall be decreased by \$1,000 for a dependent with respect to
 65 whom a claimant is eligible to make a deduction as allowed as a personal exemption deduction
 66 on the claimant's federal individual income tax return for the taxable year for which the
 67 household income is calculated.

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

69 (i) the maximum amount a claimant's household income may be decreased is \$1,000;
 70 and

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

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

73 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Limitation --**
 74 **General Fund as source of credit -- Maximum credit -- Renter's credit may be claimed**
 75 **only for rent that does not constitute a rental assistance payment -- Dependent credit.**

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

79 If household income is	80 Percentage of rent allowed as a credit
81 \$0 -- \$9,159	9.5%
82 \$9,160 -- \$12,214	8.5%
83 \$12,215 -- \$15,266	7.0%
84 \$15,267 -- \$18,319	5.5%
85 \$18,320 -- \$21,374	4.0%

86 \$21,375 -- \$24,246 3.0%

87 \$24,247 -- \$26,941 2.5%

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

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

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

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

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

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

104 (6) (a) Subject to Subsection (6)(b), for purposes of calculating a claimant's household
 105 income to determine the amount of the claimant's renter's credit under Subsection (1), for the
 106 taxable year that begins on January 1, 2009 and ends on December 31, 2009, a claimant's
 107 household income shall be decreased by \$1,000 for a dependent with respect to whom a
 108 claimant is eligible to make a deduction as allowed as a personal exemption deduction on the
 109 claimant's federal individual income tax return for the taxable year for which the household
 110 income is calculated.

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

112 (i) the maximum amount a claimant's household income may be decreased is \$1,000;
 113 and

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

115 Section 3. **Retrospective operation.**

116 This bill has retrospective operation for a taxable year beginning on or after January 1,

117 2009.