

PROPERTY TAX RELIEF PROGRAMS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This bill amends the Property Tax Act to increase the household income qualifying limits for both the homeowner's credit and the renter's credit.

Highlighted Provisions:

This bill:

- ▶ increases the household income qualifying limits for the homeowner's credit;
- ▶ increases the household income qualifying limits for the renter's credit; 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

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 --



28 **Limitation -- General Fund as source of credit.**

29 (1) (a) Subject to Subsection (2), for calendar years beginning on or after January 1,
 30 ~~[2007]~~ 2010, a claimant may claim a homeowner's credit that does not exceed the following
 31 amounts:

If household income is	Homeowner's credit
\$0 -- [\$9,159] <u>\$9,704</u>	[\$798] <u>\$845</u>
[\$9,160] <u>\$9,705</u> -- [\$12,214] <u>\$12,941</u>	[\$696] <u>\$737</u>
[\$12,215] <u>\$12,942</u> -- [\$15,266] <u>\$16,175</u>	[\$597] <u>\$633</u>
[\$15,267] <u>\$16,176</u> -- [\$18,319] <u>\$19,409</u>	[\$447] <u>\$474</u>
[\$18,320] <u>\$19,410</u> -- [\$21,374] <u>\$22,646</u>	[\$348] <u>\$369</u>
[\$21,375] <u>\$22,647</u> -- [\$24,246] <u>\$25,689</u>	[\$199] <u>\$211</u>
[\$24,247] <u>\$25,690</u> -- [\$26,941] <u>\$28,545</u>	[\$98] <u>\$104</u>
<u>\$28,546</u> -- <u>\$33,000</u>	<u>\$50</u>

41 (b) (i) For calendar years beginning on or after January 1, ~~[2008]~~ 2011, the commission
 42 shall increase or decrease the household income eligibility amounts and the credits under
 43 Subsection (1)(a) by a percentage equal to the percentage difference between the consumer
 44 price index for the preceding calendar year and the consumer price index for calendar year
 45 ~~[2006]~~ 2009.

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

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

51 (3) The homeowner's credit allowed by this section, and provided for in Section
 52 59-2-1204, shall be derived from the General Fund and appropriate transfers made to effectuate
 53 this credit.

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

55 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Limitation --**
 56 **General Fund as source of credit -- Maximum credit -- Renter's credit may be claimed**
 57 **only for rent that does not constitute a rental assistance payment.**

58 (1) (a) Subject to Subsections (2) and (3), for calendar years beginning on or after

59 January 1, [2007] 2010, a claimant may claim a renter's credit for the previous calendar year
 60 that does not exceed the following amounts:

61 If household income is	62 Percentage of rent allowed as a credit
63 \$0 -- [\$9,159] <u>\$9,704</u>	9.5%
64 [\$9,160] <u>\$9,705</u> -- [\$12,214] <u>\$12,941</u>	8.5%
65 [\$12,215] <u>\$12,942</u> -- [\$15,266] <u>\$16,175</u>	7.0%
66 [\$15,267] <u>\$16,176</u> -- [\$18,319] <u>\$19,409</u>	5.5%
67 [\$18,320] <u>\$19,410</u> -- [\$21,374] <u>\$22,646</u>	4.0%
68 [\$21,375] <u>\$22,647</u> -- [\$24,246] <u>\$25,689</u>	3.0%
69 [\$24,247] <u>\$25,690</u> -- [\$26,941] <u>\$28,545</u>	2.5%
70 <u>\$28,546</u> -- \$33,000	<u>1.25%</u>

71 (b) (i) For calendar years beginning on or after January 1, [2008] 2011, the commission
 72 shall increase or decrease the household income eligibility amounts under Subsection (1)(a) by
 73 a percentage equal to the percentage difference between the consumer price index for the
 74 preceding calendar year and the consumer price index for calendar year [2006] 2009.

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

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

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

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

84 (5) For calendar years beginning on or after January 1, [2007] 2010, a credit under this
 85 section may not exceed the maximum amount allowed as a homeowner's credit for each
 86 income bracket under Subsection 59-2-1208(1)(a).

87 **Section 3. Effective date.**

88 This bill takes effect on January 1, 2010.

Legislative Review Note
as of 12-16-08 1:29 PM

Office of Legislative Research and General Counsel

H.B. 83 - Property Tax Relief Programs

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill may reduce General Fund revenue by an estimated \$122,000 in FY 2010 and by \$125,000 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	(\$122,000)	(\$125,000)
Total	\$0	\$0	\$0	\$0	(\$122,000)	(\$125,000)

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses. Local governments could see a reduction in revenues of \$650,000 annually. Eligible individuals who rent or own residences could benefit from enhanced circuit breaker credits on income tax returns.