

**Senator Wayne L. Niederhauser** proposes the following substitute bill:

**CIRCUIT BREAKER AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tim M. Cosgrove**

Senate Sponsor: Wayne L. Niederhauser

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**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



26 January 1, 2009.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **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

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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 on  
37 or after January 1, 2007, a claimant may claim a homeowner's credit that does not exceed the  
38 following amounts:

39 If household income is	Homeowner's credit
40 \$0 -- \$9,159	\$798
41 \$9,160 -- \$12,214	\$696
42 \$12,215 -- \$15,266	\$597
43 \$15,267 -- \$18,319	\$447
44 \$18,320 -- \$21,374	\$348
45 \$21,375 -- \$24,246	\$199
46 \$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 Subsection  
49 (1)(a) by a percentage equal to the percentage difference between the consumer price index for  
50 the preceding calendar year and the consumer price index for calendar year 2006.

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

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

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

57 59-2-1204, shall be derived from the General Fund and appropriate transfers made to effectuate  
58 this credit.

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

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

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

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

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

71 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Limitation --**  
72 **General Fund as source of credit -- Maximum credit -- Renter's credit may be claimed**  
73 **only for rent that does not constitute a rental assistance payment -- Dependent credit.**

74 (1) (a) Subject to Subsections (2) [~~and~~], (3), and (6), for calendar years beginning on or  
75 after January 1, 2007, a claimant may claim a renter's credit for the previous calendar year that  
76 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%

86 (b) (i) For calendar years beginning on or after January 1, 2008, the commission shall  
87 increase or decrease the household income eligibility amounts under Subsection (1)(a) by a

88 percentage equal to the percentage difference between the consumer price index for the  
89 preceding calendar year and the consumer price index for calendar year 2006.

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

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

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

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

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

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

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

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

111 and

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

113 **Section 3. Retrospective operation.**

114 This bill has retrospective operation for a taxable year beginning on or after January 1,  
115 2009.

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**H.B. 378 1st Sub. (Buff) - Circuit Breaker Amendments**

**Fiscal Note**

2009 General Session  
State of Utah

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**State Impact**

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

	<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)	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$62,300)</b>	<b>\$0</b>

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**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.