

PROPERTY TAX RELIEF AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeremy A. Peterson

Senate Sponsor: Deidre M. Henderson

LONG TITLE

General Description:

This bill modifies taxation provisions to address property tax relief.

Highlighted Provisions:

This bill:

- ▶ addresses when a surviving spouse may claim property tax relief; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1202, as last amended by Laws of Utah 2008, Chapter 382

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

Section 1. Section **59-2-1202** is amended to read:

59-2-1202. Definitions.

As used in this part:

- (1) (a) "Claimant" means a homeowner or renter who:
- (i) ~~[has filed]~~ files a claim under this part;



28 (ii) is domiciled in this state for the entire calendar year for which a claim for relief is
29 filed under this part; and

30 (iii) on or before the December 31 of the year for which a claim for relief is filed under
31 this part, is:

32 (A) 65 years of age or older if the person was born on or before December 31, 1942;

33 (B) 66 years of age or older if the person was born on or after January 1, 1943, but on
34 or before December 31, 1959; or

35 (C) 67 years of age or older if the person was born on or after January 1, 1960.

36 ~~[(b) A surviving spouse, who otherwise qualifies under this section, is an eligible
37 claimant regardless of age.]~~

38 (b) Notwithstanding Subsection (1)(a), "claimant" includes a surviving spouse:

39 (i) regardless of:

40 (A) the age of the surviving spouse; or

41 (B) the age of the deceased spouse at the time of death;

42 (ii) if the surviving spouse meets the requirements of this part except for the age
43 requirement;

44 (iii) if the surviving spouse is part of the same household of the deceased spouse at the
45 time of death of the deceased spouse; and

46 (iv) if the surviving spouse is unmarried at the time the surviving spouse files the
47 claim.

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

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

57 (b) If a claimant occupies two or more residences in the year and does not own the
58 residence as of the lien date, "gross rent" means the total rent paid for the residences during the

59 one-year period for which the renter files a claim under this part.

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

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

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

64 (a) the calendar year preceding the calendar year in which property taxes are due; or

65 (b) for purposes of the renter's credit authorized by this part, the year for which a claim
66 is filed.

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

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

69 and

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

71 (ii) "Income" does not include:

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

73 (B) surplus foods;

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

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

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

78 (i) capital gains;

79 (ii) loss carry forwards claimed during the taxable year in which a claimant files for
80 relief under this part, Section 59-2-1108, or Section 59-2-1109;

81 (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on the
82 residence for which the claimant files for relief under this part, Section 59-2-1108, or Section
83 59-2-1109;

84 (iv) support money received;

85 (v) nontaxable strike benefits;

86 (vi) cash public assistance or relief;

87 (vii) the gross amount of a pension or annuity, including benefits under the Railroad
88 Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability pensions;

89 (viii) payments received under the Social Security Act;

- 90 (ix) state unemployment insurance amounts;
- 91 (x) nontaxable interest received from any source;
- 92 (xi) workers' compensation;
- 93 (xii) the gross amount of "loss of time" insurance; and
- 94 (xiii) voluntary contributions to a tax-deferred retirement plan.

95 (7) (a) "Property taxes accrued" means property taxes, exclusive of special
96 assessments, delinquent interest, and charges for service, levied on a claimant's residence in
97 this state.

98 (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the
99 land upon which the home is situated and on the structure of the home itself, whether classified
100 as real property or personal property taxes.

101 (c) (i) Beginning on January 1, 1999, for a claimant who owns a residence, "property
102 taxes accrued" are the property taxes described in Subsection (7)(a) levied for the calendar year
103 on 35% of the fair market value of the residence as reflected on the assessment roll.

104 (ii) The amount described in Subsection (7)(c)(i) constitutes:

105 (A) a tax abatement for the poor in accordance with Utah Constitution, Article XIII,
106 Section 3; and

107 (B) the residential exemption provided for in Section [59-2-103](#).

108 (d) (i) For purposes of this Subsection (7) property taxes accrued are levied on the lien
109 date.

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

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

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

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

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

- 121 (i) is made by a:
- 122 (A) governmental entity; or
- 123 (B) (I) charitable organization; or
- 124 (II) religious organization; and
- 125 (ii) is specifically designated for the payment of rent of a claimant:
- 126 (A) for the calendar year for which the claimant seeks a renter's credit under this part;
- 127 and
- 128 (B) regardless of whether the payment is made to the:
- 129 (I) claimant; or
- 130 (II) landlord; and
- 131 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 132 commission may make rules defining the terms:
- 133 (i) "governmental entity";
- 134 (ii) "charitable organization"; or
- 135 (iii) "religious organization."
- 136 (9) (a) "Residence" means the dwelling, whether owned or rented, and so much of the
- 137 land surrounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling
- 138 as a home, and may consist of a part of a multidwelling or multipurpose building and a part of
- 139 the land upon which it is built and includes a mobile home or houseboat.
- 140 (b) "Residence" does not include personal property such as furniture, furnishings, or
- 141 appliances.
- 142 (c) For purposes of this Subsection (9), "owned" includes a vendee in possession under
- 143 a land contract or one or more joint tenants or tenants in common.

144 Section 2. **Retrospective operation.**

145 This bill has retrospective operation to January 1, 2017.