

RENTER'S CREDIT AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Gene Davis

LONG TITLE

General Description:

This bill addresses the subtraction of certain utilities from rent for purposes of calculating the renter's credit in the Property Tax Act.

Highlighted Provisions:

This bill:

- ▶ provides the percentage that the commission shall deduct from rent when calculating a renter's credit if the rent includes electricity, natural gas, or both.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1209, as last amended by Laws of Utah 2021, Chapter 391

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

Section 1. Section **59-2-1209** is amended to read:

59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's credit may be claimed only for gross rent that does not constitute a rental assistance payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund as source of credit -- Maximum credit.

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

30 January 1, 2021, a claimant may claim a renter's credit for the previous calendar year that does
31 not exceed the following amounts:

32	If household income is	Percentage of <u>gross</u> rent allowed as a credit
33	\$0 -- \$11,785	9.5%
34	\$11,786 -- \$15,716	8.5%
35	\$15,717 -- \$19,643	7.0%
36	\$19,644 -- \$23,572	5.5%
37	\$23,573 -- \$27,503	4.0%
38	\$27,504 -- \$31,198	3.0%
39	\$31,199 -- \$34,666	2.5%

40 (b) For a calendar year beginning on or after January 1, 2022, the commission shall
41 increase or decrease the household income eligibility amounts under Subsection (1)(a) by a
42 percentage equal to the percentage difference between the consumer price index housing for the
43 preceding calendar year and the consumer price index housing for calendar year 2020.

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

46 (3) For purposes of calculating gross rent when a claimant's rent includes electricity or
47 natural gas and the utility amount is not itemized in the statement provided in accordance with
48 Section 59-2-1213, the commission shall deduct from rent:

49 (a) 7% of rent if the rent includes electricity or natural gas but not both; or

50 (b) 13% of rent if the rent includes both electricity and natural gas.

51 [~~3~~] (4) An individual may not receive the renter's credit under this section if the
52 individual is:

53 (a) claimed as a personal exemption on another individual's federal income tax return
54 during any portion of a calendar year for which the individual seeks to claim the renter's credit

55 under this section; or

56 (b) a dependent with respect to whom another individual claims a tax credit under
57 Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for which the
58 individual seeks to claim the renter's credit under this section.

59 [~~4~~] (5) A payment for a renter's credit allowed by this section, and provided for in
60 Section 59-2-1204, shall be paid from the General Fund.

61 [~~5~~] (6) A credit under this section may not exceed the maximum amount allowed as a
62 homeowner's credit for each income bracket under Subsection 59-2-1208(1)(a).

63 Section 2. **Retrospective operation.**

64 This bill has retrospective operation to January 1, 2022.