

RENTER'S CREDIT AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Gene Davis

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 14 voting for 0 voting against 5 absent

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:



28 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's**
 29 **credit may be claimed only for gross rent that does not constitute a rental assistance**
 30 **payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund**
 31 **as source of credit -- Maximum credit.**

32 (1) (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after
 33 January 1, 2021, a claimant may claim a renter's credit for the previous calendar year that does
 34 not exceed the following amounts:

35	If household income is	Percentage of <u>gross</u> rent allowed as a credit
36	\$0 -- \$11,785	9.5%
37	\$11,786 -- \$15,716	8.5%
38	\$15,717 -- \$19,643	7.0%
39	\$19,644 -- \$23,572	5.5%
40	\$23,573 -- \$27,503	4.0%
41	\$27,504 -- \$31,198	3.0%
42	\$31,199 -- \$34,666	2.5%

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

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

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

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

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

54 ~~(3)~~ (4) An individual may not receive the renter's credit under this section if the
 55 individual is:

56 (a) claimed as a personal exemption on another individual's federal income tax return

57 during any portion of a calendar year for which the individual seeks to claim the renter's credit
58 under this section; or

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

62 [~~4~~] (5) A payment for a renter's credit allowed by this section, and provided for in
63 Section 59-2-1204, shall be paid from the General Fund.

64 [~~5~~] (6) A credit under this section may not exceed the maximum amount allowed as a
65 homeowner's credit for each income bracket under Subsection 59-2-1208(1)(a).

66 Section 2. **Retrospective operation.**

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