

PROPERTY TAX RELIEF AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Waldrip

Senate Sponsor: Michael K. McKell

LONG TITLE

General Description:

This bill modifies provisions of the homeowner's credit and the renter's credit in the Property Tax Act.

Highlighted Provisions:

This bill:

- ▶ modifies the household income eligibility amounts related to the homeowner's credit and the renter's credit; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1208, as last amended by Laws of Utah 2021, Chapter 391

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 **59-2-1208** 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 Subsections (2) and (4), for a calendar year beginning on or after
 30 January 1, [~~2021~~] 2022, a claimant may claim a homeowner's credit that does not exceed the
 31 following amounts:

32	If household income is	Homeowner's credit
33	\$0 -- [\$11,785] <u>\$22,173</u>	[\$1,027] <u>\$1,061</u>
34	[\$11,786 -- \$15,716] <u>\$22,174 --</u> <u>\$26,233</u>	[\$896] <u>\$925</u>
35	[\$15,717 -- \$19,643] <u>\$26,234 --</u> <u>\$30,290</u>	[\$768] <u>\$793</u>
36	[\$19,644 -- \$23,572] <u>\$30,291 --</u> <u>\$34,348</u>	[\$575] <u>\$594</u>
37	[\$23,573 -- \$27,503] <u>\$34,349 --</u> <u>\$38,408</u>	[\$448] <u>\$463</u>
38	[\$27,504 -- \$31,198] <u>\$38,409 --</u> <u>\$42,225</u>	[\$256] <u>\$264</u>
39	[\$31,199 -- \$34,666] <u>\$42,226 --</u> <u>\$45,807</u>	[\$126] <u>\$130</u>

40 (b) For a calendar year beginning on or after January 1, [~~2022~~] 2023, the commission
 41 shall increase or decrease the household income eligibility amounts and the credits under
 42 Subsection (1)(a) by a percentage equal to the percentage difference between the consumer
 43 price index housing for the preceding calendar year and the consumer price index housing for
 44 calendar year [~~2020~~] 2021.

45 (2) (a) An individual may not receive the homeowner's credit under this section or the
 46 tax relief described in Subsection [59-2-1202](#)(10)(a) on 20% of the fair market value of the
 47 residence if:

48 (i) the individual is claimed as a personal exemption on another individual's federal
 49 income tax return during any portion of a calendar year for which the individual seeks to claim
 50 the homeowner's credit under this section;

51 (ii) the individual is a dependent with respect to whom another individual claims a tax

52 credit under Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for
53 which the individual seeks to claim the homeowner's credit under this section; or

54 (iii) the individual did not own the residence for the entire calendar year for which the
55 individual claims the homeowner's credit.

56 (b) For a calendar year in which a residence is sold, the amount received as a
57 homeowner's credit under this section or as tax relief described in Subsection 59-2-1202(10)(a)
58 on 20% of the fair market value of the residence shall be repaid to the county on or before the
59 day on which the sale of the residence closes.

60 (3) A payment for a homeowner's credit allowed by this section, and provided for in
61 Section 59-2-1204, shall be paid from the General Fund.

62 (4) For a calendar year that begins on or after January 1, 2018, after the commission
63 has adjusted the homeowner credit amount under Subsection (1)(b), the commission shall
64 increase each homeowner credit amount under Subsection (1) by the following amounts:

- 65 (a) for a calendar year that begins on January 1, 2018, \$14;
- 66 (b) for a calendar year that begins on January 1, 2019, \$22;
- 67 (c) for a calendar year that begins on January 1, 2020, \$31;
- 68 (d) for a calendar year that begins on January 1, 2021, \$40; and
- 69 (e) for a calendar year that begins on or after January 1, 2022, \$49.

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

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

74 (1) (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after
75 January 1, ~~[2021]~~ 2022, a claimant may claim a renter's credit for the previous calendar year
76 that does not exceed the following amounts:

77 If household income is	Percentage of rent allowed as a credit
78 \$0 -- [\$11,785] <u>\$22,173</u>	9.5%
79 [\$11,786 -- \$15,716] <u>\$22,174 --</u> <u>\$26,233</u>	8.5%

80	[\$15,717 -- \$19,643] <u>\$26,234</u> --	7.0%
	<u>\$30,290</u>	
81	[\$19,644 -- \$23,572] <u>\$30,291</u> --	5.5%
	<u>\$34,348</u>	
82	[\$23,573 -- \$27,503] <u>\$34,349</u> --	4.0%
	<u>\$38,408</u>	
83	[\$27,504 -- \$31,198] <u>\$38,409</u> --	3.0%
	<u>\$42,225</u>	
84	[\$31,199 -- \$34,666] <u>\$42,226</u> --	2.5%
	<u>\$45,807</u>	

85 (b) For a calendar year beginning on or after January 1, [~~2022~~] 2023, the commission
 86 shall increase or decrease the household income eligibility amounts under Subsection (1)(a) by
 87 a percentage equal to the percentage difference between the consumer price index housing for
 88 the preceding calendar year and the consumer price index housing for calendar year [~~2020~~]
 89 2021.

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

92 (3) An individual may not receive the renter's credit under this section if the individual
 93 is:

94 (a) claimed as a personal exemption on another individual's federal income tax return
 95 during any portion of a calendar year for which the individual seeks to claim the renter's credit
 96 under this section; or

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

100 (4) A payment for a renter's credit allowed by this section, and provided for in Section
 101 [59-2-1204](#), shall be paid from the General Fund.

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

104 Section 3. **Retrospective operation.**

105

This bill has retrospective operation to January 1, 2022.