

PROPERTY TAX INCOME REQUIREMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions of the Property Tax Act.

Highlighted Provisions:

This bill:

- ▶ increases the income limit for a claimant to qualify for a homeowner's credit;
- ▶ increases the income limit for a claimant to qualify for a 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 2022, Chapter 196

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 --

Limitation -- General Fund as source of credit.



28 (1) (a) Subject to ~~[Subsections]~~ Subsection (2) ~~[and (4)]~~, for a calendar year beginning
29 on or after January 1, ~~[2021]~~ 2023, a claimant may claim a homeowner's credit that does not
30 exceed the following amounts:

31	If household income is	Homeowner's credit
32	\$0 -- [\$[11,785] <u>16,000</u>	\$1,027
33	[\$[11,786] <u>16,001</u> -- [\$[15,716] <u>21,500</u>	\$896
34	[\$[15,717] <u>21,501</u> -- [\$[19,643] <u>27,000</u>	\$768
35	[\$[19,644] <u>27,001</u> -- [\$[23,572] <u>32,500</u>	\$575
36	[\$[23,573] <u>32,501</u> -- [\$[27,503] <u>38,000</u>	\$448
37	[\$[27,504] <u>38,001</u> -- [\$[31,198] <u>44,000</u>	\$256
38	[\$[31,199] <u>44,001</u> -- [\$[34,666] <u>50,000</u>	\$126

39 (b) For a calendar year beginning on or after January 1, ~~[2022]~~ 2024, the commission
40 shall increase or decrease the household income eligibility amounts and the credits under
41 Subsection (1)(a) by a percentage equal to the percentage difference between the consumer
42 price index housing for the preceding calendar year and the consumer price index housing for
43 calendar year ~~[2020]~~ 2022.

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

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

50 (ii) the individual is a dependent with respect to whom another individual claims a tax
51 credit under Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for
52 which the individual seeks to claim the homeowner's credit under this section; or

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

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

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

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

64 ~~[(a) for a calendar year that begins on January 1, 2018, \$14;]~~

65 ~~[(b) for a calendar year that begins on January 1, 2019, \$22;]~~

66 ~~[(c) for a calendar year that begins on January 1, 2020, \$31;]~~

67 ~~[(d) for a calendar year that begins on January 1, 2021, \$40; and]~~

68 ~~[(e) for a calendar year that begins on or after January 1, 2022, \$49.]~~

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

70 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's**
71 **credit may be claimed only for gross rent that does not constitute a rental assistance**
72 **payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund**
73 **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]~~ 2023, a claimant may claim a renter's credit for the previous calendar year
76 that does not exceed the following amounts:

	If household income is	Percentage of gross rent allowed as a
		credit
77	\$0 -- \$ [11,785] <u>16,000</u>	9.5%

79	\$ [11,786] <u>16,001</u> -- \$ [15,716] 21,500	8.5%
80	\$ [15,717] <u>21,501</u> -- \$ [19,643] 27,000	7.0%
81	\$ [19,644] <u>27,001</u> -- \$ [23,572] 32,500	5.5%
82	\$ [23,573] <u>32,501</u> -- \$ [27,503] 38,000	4.0%
83	\$ [27,504] <u>38,001</u> -- \$ [31,198] 44,000	3.0%
84	\$ [31,199] <u>44,001</u> -- \$ [34,666] 50,000	2.5%

85 (b) For a calendar year beginning on or after January 1, ~~[2022]~~ 2024, 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 2022.

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

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

- 95 (a) 7% of rent if the rent includes electricity or natural gas but not both; or
- 96 (b) 13% of rent if the rent includes both electricity and natural gas.
- 97 (4) An individual may not receive the renter's credit under this section if the individual
 98 is:

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

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

105 (5) A payment for a renter's credit allowed by this section, and provided for in Section
106 59-2-1204, shall be paid from the General Fund.

107 (6) A credit under this section may not exceed the maximum amount allowed as a
108 homeowner's credit for each income bracket under Subsection 59-2-1208(1)(a).

109 Section 3. **Retrospective operation.**

110 This bill has retrospective operation for a taxable year beginning on or after January 1,
111 2023.