

Senator Todd D. Weiler proposes the following substitute bill:

PROPERTY TAX INCOME REQUIREMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd D. Weiler

House 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 amount of the homeowner's credit based on income;
- ▶ 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:



26 Section 1. Section 59-2-1208 is amended to read:

27 **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]~~ Subsection (2) ~~[and (4)]~~, for a calendar year beginning
 30 on or after January 1, ~~[2021]~~ 2024, a claimant may claim a homeowner's credit that does not
 31 exceed the following amounts:

If household income is	Homeowner's credit
\$0 -- [\$11,785] <u>\$18,000</u>	[\$1,027] <u>\$1,259</u>
[\$11,786] <u>\$18,001 -- [\$15,716]</u> <u>\$22,000</u>	[\$896] <u>\$1,105</u>
[\$15,717] <u>\$22,001 -- [\$19,643]</u> <u>\$26,000</u>	[\$768] <u>\$954</u>
[\$19,644] <u>\$26,001 -- [\$23,572]</u> <u>\$30,000</u>	[\$575] <u>\$726</u>
[\$23,573] <u>\$30,001 -- [\$27,503]</u> <u>\$34,000</u>	[\$448] <u>\$577</u>
[\$27,504] <u>\$34,001 -- [\$31,198]</u> <u>\$38,000</u>	[\$256] <u>\$351</u>
[\$31,199] <u>\$38,001 -- [\$34,666]</u> <u>\$42,000</u>	[\$126] <u>\$197</u>

40 (b) For a calendar year beginning on or after January 1, ~~[2022]~~ 2025, 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]~~ Consumer Price Index housing for the preceding calendar year and the ~~[consumer~~
 44 ~~price index]~~ Consumer Price Index housing for calendar year ~~[2020]~~ 2023.

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 gross rent that does not constitute a rental assistance**
 73 **payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund**
 74 **as source of credit -- Maximum credit.**

75 (1) (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after
 76 January 1, [~~2021~~] 2024, a claimant may claim a renter's credit for the previous calendar year
 77 that does not exceed the following amounts:

If household income is	Percentage of gross rent allowed as a credit
\$0 -- [\$11,785] <u>\$18,000</u>	9.5%
[\$11,786] <u>\$18,001</u> -- [\$15,716] <u>\$22,000</u>	8.5%
[\$15,717] <u>\$22,001</u> -- [\$19,643] <u>\$26,000</u>	7.0%
[\$19,644] <u>\$26,001</u> -- [\$23,572] <u>\$30,000</u>	5.5%
[\$23,573] <u>\$30,001</u> -- [\$27,503] <u>\$34,000</u>	4.0%
[\$27,504] <u>\$34,001</u> -- [\$31,198] <u>\$38,000</u>	3.0%
[\$31,199] <u>\$38,001</u> -- [\$34,666] <u>\$42,000</u>	2.5%

86 (b) For a calendar year beginning on or after January 1, [~~2022~~] 2025, the commission
 87 shall increase or decrease the household income eligibility amounts under Subsection (1)(a) by
 88 a percentage equal to the percentage difference between the [~~consumer price index~~] Consumer

89 Price Index housing for the preceding calendar year and the [~~consumer price index~~] Consumer
90 Price Index housing for calendar year [~~2020~~] 2023.

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

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

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

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

98 (4) An individual may not receive the renter's credit under this section if the individual
99 is:

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

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

106 (5) A payment for a renter's credit allowed by this section, and provided for in Section
107 [59-2-1204](#), shall be paid from the General Fund.

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

110 **Section 3. Effective date.**

111 This bill takes effect on May 1, 2024.

112 **Section 4. Retrospective operation.**

113 This bill has retrospective operation for a taxable year beginning on or after January 1,
114 2024.