

Representative Joel K. Briscoe proposes the following substitute bill:

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:



26 **59-2-1208. Amount of homeowner's credit -- Cost-of-living adjustment --**
 27 **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] <u>\$1,186</u>
33	[\$11,786] <u>\$16,001--</u> [\$15,716] <div style="padding-left: 40px;"><u>\$21,500</u></div>	[\$896] <u>\$1,041</u>
34	[\$15,717] <u>\$21,501 --</u> [\$19,643] <div style="padding-left: 40px;"><u>\$27,000</u></div>	[\$768] <u>\$899</u>
35	[\$19,644] <u>\$27,001--</u> [\$23,572] <div style="padding-left: 40px;"><u>\$32,500</u></div>	[\$575] <u>\$685</u>
36	[\$23,573] <u>\$32,501--</u> [\$27,503] <div style="padding-left: 40px;"><u>\$38,000</u></div>	[\$448] <u>\$545</u>
37	[\$27,504] <u>\$38,001--</u> [\$31,198] <div style="padding-left: 40px;"><u>\$44,000</u></div>	[\$256] <u>\$332</u>
38	[\$31,199] <u>\$44,001--</u> [\$34,666] <div style="padding-left: 40px;"><u>\$50,000</u></div>	[\$126] <u>\$188</u>

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:

77	If household income is	Percentage of gross rent allowed as a
		credit
78	\$0 -- [\$11,785] <u>\$16,000</u>	9.5%

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