

**TAX RELIEF AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Travis M. Seegmiller**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to property tax relief.

**Highlighted Provisions:**

This bill:

- ▶ increases the household income threshold to qualify for a homeowner's or renter's credit;
- ▶ increases the maximum amount of a homeowner's or renter's credit; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

This bill provides a coordination clause.

**Utah Code Sections Affected:**

AMENDS:

**59-2-1208**, as last amended by Laws of Utah 2018, Chapters 405 and 456

**59-2-1209**, as last amended by Laws of Utah 2018, Chapters 405 and 456

**Utah Code Sections Affected by Coordination Clause:**

**59-2-1803**, Utah Code Annotated 1953

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28 *Be it enacted by the Legislature of the state of Utah:*

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

30 **59-2-1208. Amount of homeowner's credit -- Cost-of-living adjustment --**  
 31 **Limitation -- General Fund as source of credit.**

32 (1) (a) Subject to [~~Subsections (2) and (4)~~] Subsection (2), for a calendar year  
 33 beginning on or after January 1, [~~2007~~] 2020, a claimant whose household income is equal to  
 34 or less than \$52,260 may claim a homeowner's credit [~~that does not exceed the following~~  
 35 ~~amounts:] of \$1,797, adjusted in accordance with Subsection (1)(b).~~

36 [If household income is]	[Homeowner's credit]
37 [\$0 <del>--</del> \$9,159]	[\$798]
38 [\$9,160 <del>--</del> \$12,214]	[\$696]
39 [\$12,215 <del>--</del> \$15,266]	[\$597]
40 [\$15,267 <del>--</del> \$18,319]	[\$447]
41 [\$18,320 <del>--</del> \$21,374]	[\$348]
42 [\$21,375 <del>--</del> \$24,246]	[\$199]
43 [\$24,247 <del>--</del> \$26,941]	[\$98]

44 (b) A credit allowed under Subsection (1)(a) shall decrease by \$0.04 for each dollar  
 45 that a claimant's household income exceeds \$9,799.

46 [~~(b)~~] (c) (i) For a calendar year beginning on or after January 1, [~~2008~~] 2021, the  
 47 commission shall increase or decrease the household income eligibility [~~amounts and the~~  
 48 ~~credits]~~ threshold amount and credit under Subsection (1)(a) and the household income  
 49 threshold under Subsection (1)(b) by a percentage equal to the percentage difference between  
 50 the consumer price index for the preceding calendar year and the consumer price index for  
 51 calendar year [~~2006~~] 2020.

52 (ii) For purposes of Subsection [~~(1)(b)(i)~~] (1)(c)(i), the commission shall calculate the  
 53 consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

54 (2) An individual may not receive the homeowner's credit under this section if:

- 55 (a) the individual is claimed as a personal exemption on another individual's federal
- 56 income tax return during any portion of a calendar year for which the individual seeks to claim
- 57 the homeowner's credit under this section; or

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

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

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

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

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

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

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

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

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

72 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's**  
 73 **credit may be claimed only for rent that does not constitute a rental assistance payment --**  
 74 **Limitation -- General Fund 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, ~~[2007]~~ 2020, a claimant whose household income is equal to or less than \$52,260  
 77 may claim a renter's credit [for the previous calendar year that does not exceed the following  
 78 amounts:] equal to 15% of the claimant's rent paid during the previous calendar year, adjusted  
 79 in accordance with Subsection (1)(b).

	[If household income is]	[Percentage of rent allowed as a credit]
81	[\$0 -- \$9,159]	[9.5%]
82	[\$9,160 -- \$12,214]	[8.5%]
83	[\$12,215 -- \$15,266]	[7.0%]
84	[\$15,267 -- \$18,319]	[5.5%]
85	[\$18,320 -- \$21,374]	[4.0%]
86	[\$21,375 -- \$24,246]	[3.0%]

87                                    [~~\$24,247 -- \$26,941~~]                                    [2.5%]

88                                    (b) A credit allowed under Subsection (1)(a) shall decrease by 0.03% for each dollar  
 89 that a claimant's household income exceeds \$9,799.

90                                    ~~[(b)]~~ (c) (i) For a calendar year beginning on or after January 1, [~~2008~~] 2021, the  
 91 commission shall increase or decrease the household income eligibility [~~amounts~~] thresholds  
 92 under ~~[Subsection (1)(a)]~~ Subsections (1)(a) and (b) by a percentage equal to the percentage  
 93 difference between the consumer price index for the preceding calendar year and the consumer  
 94 price index for calendar year [~~2006~~] 2020.

95                                    (ii) For purposes of Subsection ~~[(1)(b)(i)]~~ (1)(c)(i), the commission shall calculate the  
 96 consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

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

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

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

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

107                                    (4) A payment for a renter's credit allowed by this section, and provided for in Section  
 108 [59-2-1204](#), shall be paid from the General Fund.

109                                    (5) For calendar years beginning on or after January 1, 2007, a credit under this section  
 110 may not exceed the maximum amount allowed as a homeowner's credit for ~~[each income~~  
 111 ~~bracket]~~ the claimant's household income under Subsection [59-2-1208\(1\)](#)~~[(a)]~~.

112                                    Section 3. **Effective date.**

113                                    This bill takes effect on January 1, 2020.

114                                    Section 4. **Coordinating H.B. 497 with H.B. 24 -- Substantive amendment.**

115                                    If this H.B. 497 and H.B. 24, Property Tax Exemptions, Deferrals, and Abatements  
 116 Amendments, both pass and become law, it is the intent of the Legislature that the Office of  
 117 Legislative Research and General Counsel shall prepare the Utah Code database for publication

118 by replacing the word "bracket" in Subsection 59-2-1803(1)(a) with "threshold".