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Property Tax Relief Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor:

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3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions related to property tax relief.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ increases the household income limits and credit amounts allowed for a homeowner's
9 credit and a renter's credit; and

10 ▶ makes technical changes.

11 **Money Appropriated in this Bill:**

12 None

13 **Other Special Clauses:**

14 This bill provides retrospective operation.

15 **Utah Code Sections Affected:**

16 AMENDS:

17 **59-2-1208**, as last amended by Laws of Utah 2021, Chapter 391

18 **59-2-1209**, as last amended by Laws of Utah 2024, Chapter 272

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

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

22 **59-2-1208 . Amount of homeowner's credit -- Cost-of-living adjustment --**

23 **Limitation -- General Fund as source of credit.**

24 (1)(a) Subject to Subsections (2) and (4), for a calendar year beginning on or after January 1, [
25 ~~2021~~] 2025, a claimant may claim a homeowner's credit that does not exceed the following
26 amounts:

If household income is		Homeowner's credit
\$0 -- [\$11,785] <u>\$14,500</u>		[\$1,027] <u>\$2,000</u>
[\$11,786 -- \$15,716] <u>\$14,501 -- \$18,750</u>		[\$896] <u>\$1,750</u>

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31	[\$15,717 -- \$19,643] <u>\$18,751 -- \$23,000</u>		[\$768] <u>\$1,500</u>	
32	[\$19,644 -- \$23,572] <u>\$23,001 -- \$27,250</u>		[\$575] <u>\$1,250</u>	
33	[\$23,573 -- \$27,503] <u>\$27,251 -- \$31,500</u>		[\$448] <u>\$1,000</u>	
34	[\$27,504 -- \$31,198] <u>\$31,501 -- \$35,750</u>		[\$256] <u>\$750</u>	
35	[\$31,199 -- \$34,666] <u>\$35,751 -- \$40,000</u>		[\$126] <u>\$500</u>	
36	<u>\$40,001 -- \$46,000</u>		<u>\$250</u>	

37 (b) For a calendar year beginning on or after January 1, ~~[2022]~~ 2026, the commission
 38 shall increase or decrease the household income eligibility amounts and the credits
 39 under Subsection (1)(a) by a percentage equal to the percentage difference between
 40 the consumer price index housing for the preceding calendar year and the consumer
 41 price index housing for calendar year ~~[2020]~~ 2024.

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

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

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

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

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

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

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

- 63 amounts:] \$49.
- 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**
 73 **Fund as source of credit -- Maximum credit.**

74 (1)(a) Subject to Subsections (2) and (3), for a calendar year beginning on or after January 1, [
 75 ~~2021~~] 2025, a claimant may claim a renter's credit for the previous calendar year that does not
 76 exceed the following amounts:

If household income is	Percentage of gross rent allowed as a credit
\$0 -- [\$11,785] <u>\$14,500</u>	9.5%
[\$11,786 -- \$15,716] <u>\$14,501 -- \$18,750</u>	8.5%
[\$15,717 -- \$19,643] <u>\$18,751 -- \$23,000</u>	7.0%
[\$19,644 -- \$23,572] <u>\$23,001 -- \$27,250</u>	5.5%
[\$23,573 -- \$27,503] <u>\$27,251 -- \$31,500</u>	4.0%
[\$27,504 -- \$31,198] <u>\$31,501 -- \$35,750</u>	3.0%
[\$31,199 -- \$34,666] <u>\$35,751 -- \$40,000</u>	2.5%
<u>\$40,001 -- \$46,000</u>	<u>2%</u>

87 (b) For a calendar year beginning on or after January 1, [~~2022~~] 2026, the commission
 88 shall increase or decrease the household income eligibility amounts under Subsection
 89 (1)(a) by a percentage equal to the percentage difference between the [~~Consumer~~
 90 ~~Price Index~~] consumer price index housing for the preceding calendar year and the [
 91 ~~Consumer Price Index~~] consumer price index housing for calendar year [~~2020~~] 2024.

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

94 (3) For purposes of calculating gross rent when a claimant's rent includes electricity or
 95 natural gas and the utility amount is not itemized in the statement provided in

- 96 accordance with Section 59-2-1213, the commission shall deduct from rent:
- 97 (a) 7% of rent if the rent includes electricity or natural gas but not both; or
- 98 (b) 13% of rent if the rent includes both electricity and natural gas.
- 99 (4) An individual may not receive the renter's credit under this section if the individual 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
- 102 renter's credit 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
- 105 which the 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 Section 59-2-1208.

110 **Section 3. Effective Date.**

111 This bill takes effect on May 7, 2025.

112 **Section 4. Retrospective operation.**

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

114 2025.