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₵ 12-14-21 11:53 AM ₵

RENTER'S CREDIT AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Gene Davis

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 14 voting for 0 voting against 5 absent

General Description:

This bill addresses the subtraction of certain utilities from rent for purposes of calculating the renter's credit in the Property Tax Act.

Highlighted Provisions:

This bill:

- provides the percentage that the commission shall deduct from rent when calculating a renter's credit if the rent includes electricity, natural gas, or both.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1209, as last amended by Laws of Utah 2021, Chapter 391

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

Section 1. Section **59-2-1209** is amended to read:

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59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's credit may be claimed only for gross rent that does not constitute a rental assistance payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund as source of credit -- Maximum credit.

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

If household income is	Percentage of gross rent allowed as a credit
$0 -- $11,785	9.5%
$11,786 -- $15,716	8.5%
$15,717 -- $19,643	7.0%
$19,644 -- $23,572	5.5%
$23,573 -- $27,503	4.0%
$27,504 -- $31,198	3.0%
$31,199 -- $34,666	2.5%

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

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

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

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

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

[~~(3)~~] (4) An individual may not receive the renter's credit under this section if the individual is:

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

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

[~~(4)~~] (5) A payment for a renter's credit allowed by this section, and provided for in Section 59-2-1204, shall be paid from the General Fund.

[~~(5)~~] (6) A credit under this section may not exceed the maximum amount allowed as a homeowner's credit for each income bracket under Subsection 59-2-1208(1)(a).

Section 2. **Retrospective operation.**

This bill has retrospective operation to January 1, 2022.