

HOUSE RESEARCH

Bill Summary

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Subject: Property tax refund for residents of tax-exempt nursing homes

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Overview

Allows residents of nursing homes that are exempt from property tax to claim the property tax refund for renters. Effective for refunds based on rent paid in 2007 and following years.

Section

- 1** **Claimant; definition.** Modifies the definition of "claimant" in the property tax refund statute to include individuals who are residents of nursing homes licensed under chapter 144A (this Chapter 144A reference includes all nursing homes and facilities). Under present law, individuals who are residents of nursing homes exempt from property taxes are excluded from claiming the property tax refund.

Under this bill, residents of all nursing homes would be eligible, regardless of whether or not the nursing home is taxable. The amount of "gross rent" used to calculate property tax refunds for nursing home residents is provided for in statute, and indexed annually. For 2006, that amount is \$400 per month. Hence the calculation would be \$400 X 12 months X 19 percent = the amount of rent used to calculate the resident's refund. The actual refund amount would also depend on the nursing home resident's income, and the portion of payments made to the nursing home that came from the various public assistance programs.

Effective for refunds based on rent paid in 2007 and following years.