

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3632
Version: As introduced

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Subject: Property taxation; modifying the market value homestead credit calculation

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Overview

H.F. 3632 reduces the market value credit through a change in the formula. Most homes would have a credit reduction of \$25 to \$50.

Section

- 1 Residential homestead market value credit.** Reduces the market value credit for all homeowners by changing the formula. Under current law, the credit is equal to 0.4% of the first \$76,000 of market value, reaching a maximum of \$304, with the maximum being reduced at a rate of \$90 per \$100,000 in value above \$76,000, until it is completely phased out at a value of \$414,000. Under the proposal, the credit is equal to 0.35% of the first \$80,000 of market value, reaching a maximum of \$280, with the maximum being reduced at a rate of \$100 per \$100,000 in value above \$80,000, until it is completely phased out at a value of \$360,000.

Effective for taxes payable in 2011 and thereafter.