

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 228

DATE: March 6, 2015

Version: With author's amendment (A15-0088)

Authors: Knoblach

Subject: Exclude scholarships from household income for homestead credit refund and renter property tax refund

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Excludes nontaxable scholarships, fellowships, and tuition discounts from the definition of household income used in determining eligibility for the renter property tax refund and the homestead credit refund.

Effective beginning with homestead credit refunds based on property taxes payable in 2016 and for renter property tax refunds based on rent paid in 2015 (both generally filed in calendar year 2016 and paid in fiscal year 2017).

Background. The homestead credit refund and renter property tax refund are determined by comparing the homeowner's property taxes or renter's deemed property taxes to household income. Household income is a broad measure of income that includes most nontaxable income and is intended to measure the homeowner or renter's ability to pay property taxes.