

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1731
Version: As introduced

DATE: March 16, 2015

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Subject: Renter property tax refund; percentage of rent constituting property tax

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Overview

Modifies the renter property tax refund program by decreasing the percentage of rent constituting property taxes from 17 to 15 percent.

Section

- 1 Rent constituting property tax.** Decreases the percentage of rent constituting property taxes for the renter property tax refund (also called the “renters’ credit”), from 17 to 15 percent. If rent constituting property tax exceeds a threshold percentage of income, the refund equals a percentage of the tax over the threshold, up to a maximum amount. Effective beginning with refunds based on rent paid in 2015.
Background. For refunds based on rent paid from 1998 to 2008, the percentage of rent constituting property taxes equaled 19 percent. Under the 2009 unallotment, subsequently enacted into law, the percentage of rent constituting property taxes was reduced from 19 percent to 15 percent for refunds based on rent paid in 2009 only. For refunds based on rent paid in 2010, the percentage returned to 19 percent. Legislation enacted in 2011 reduced the rate to 17 percent for refunds based on rent paid in 2011 and following years.
- 2 Rent constituting property taxes; manufactured homes.** Makes a corresponding decrease in the percentage of rent constituting property taxes for manufactured homes, from 17 to 15 percent. Effective beginning with refunds based on rent paid in 2015.