

Subject Property tax refund co-pay percentages reduced

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Summary

The homestead credit refund is a state-paid refund that provides tax relief to homeowners whose property taxes are high relative to their incomes. The program was previously known as the homeowner’s property tax refund program, or PTR, and sometimes popularly called the “circuit breaker.” If the property tax exceeds a threshold percentage of income, the refund equals a percentage of the property tax over the threshold, up to a maximum amount. As income increases:

- the threshold percentage increases;
- the share of tax over the threshold that the taxpayer must pay (the “copay percentage”) increases; and
- the maximum refund decreases.

H.F. 2715 expands the program by reducing the co-pay percentages for all ranges currently eligible for the credit. The table below shows the co-pays for refunds payable in 2027 under current law, and as proposed in the bill.

Income Range	Co-Pay Percentage, Current Law	Co-Pay Percentage, H.F. 2715
\$0 to \$2,239	12%	10%
\$2,240 to \$4,459	12%	10%
\$4,460 to \$6,749	12%	10%
\$6,750 to \$9,009	17%	15%
\$9,010 to \$11,239	17%	15%
\$11,240 to \$15,739	17%	15%
\$15,740 to \$17,959	17%	15%
\$17,960 to \$20,229	17%	15%
\$20,230 to \$22,469	17%	15%
\$22,470 to \$24,699	22%	20%
\$24,700 to \$31,469	22%	20%

Income Range	Co-Pay Percentage, Current Law	Co-Pay Percentage, H.F. 2715
\$31,470 to \$33,709	27%	25%
\$33,710 to \$38,219	27%	25%
\$38,220 to \$53,919	32%	30%
\$53,920 to \$78,629	32%	30%
\$78,630 to \$89,869	37%	35%
\$89,870 to \$101,109	37%	35%
\$101,110 to \$112,339	37%	35%
\$112,340 to \$123,579	37%	35%
\$123,580 to \$130,329	42%	40%
\$130,330 to \$134,849	42%	40%
\$134,850 to \$140,289	47%	45%
\$140,290 to \$145,739	47%	45%



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