

PROPERTY TAX BILLS OF INTEREST TO COMMITTEE

INTRODUCTION

As part of the House Joint Resolution 35 study, the committee asked for summary information on past legislation on topics considered by the committee. Staff asked committee members to submit property tax bills to be included in this summary. Those bills are summarized and linked in this document and the fiscal notes are attached.

SENATE BILL 287 (2013)

[Senate Bill 287](#) in the 2013 session was introduced by Sen. Dick Barrett. The bill provides for a property tax circuit breaker to replace the Property Tax Assistance Program, the Extended Property Tax Assistance Program (now repealed), and the Elderly Homeowner and Renter income tax credit. The bill retains the Disabled Veterans Assistance Program but provides that a claimant may not use that program and the newly created circuit breaker.

The new circuit breaker is available to homeowners and renters of all ages. For homeowners, the circuit breaker is a credit on the property tax bill based on property taxes paid in the previous year. Renters claim the credit on their income tax return for rent-equivalent property taxes paid during the tax year. Rent-equivalent property taxes paid are 15% of gross rent.

The formula for determining the credit amount is:

property taxes billed or rent-equivalent property tax * 0.85 – [(0.02 + (0.0000008 * household income)].

The [fiscal note](#) estimated a \$15 million to \$16 million general fund revenue loss per year for FY14 through FY17.

Senate Bill 287 did not pass out of the Senate Taxation Committee.

SENATE BILL 189 (2019)

[Senate Bill 189](#) in the 2019 session provided for a carbon tax and used a portion of the revenue to fund a new circuit breaker program. This summary focuses only on the circuit breaker portion of the bill.

Sen. Dick Barrett introduced the bill, which provides for a property tax circuit breaker to replace the Property Tax Assistance Program, the Disabled Veterans Assistance Program, the Elderly Homeowner and Renter income tax credit, and the intangible land value property exemption.

The new circuit breaker is available to homeowners and renters of all ages. Both homeowners and renters claim the credit on their income tax return for property taxes or rent-equivalent property taxes paid during the tax year. Rent-equivalent property taxes paid are 15% of gross rent.

The formula for determining the credit amount is:

property taxes billed or rent-equivalent property tax * 0.85 – threshold amount.

The threshold amount is based on household income as provided in the following table.

Household Income	Threshold Amount
\$0 to \$100,000	0.021 x household income
\$100,001 to \$200,000	2,100 + 0.023 (household income - 100,000)
\$200,001 or more	4,400 + 0.025 (household income - 200,000)

The [fiscal note](#) estimated a general fund revenue loss of \$114.7 million in FY20, \$120.9 million in FY21, \$121.1 million in FY22, and \$124.7 million in FY23.

Senate Bill 189 did not pass out of the Senate Energy and Telecommunications Committee.

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