

# Comparison of SB 542 and Growth & Opportunity Trust Principal Residence Provisions

REVENUE INTERIM COMMITTEE  
MEGAN MOORE – JANUARY 2026

## SIMILAR ELIGIBILITY, ALIGNING LAWS COULD EASE ADMINISTRATION

The Legislature enacted two bills that provide tax benefits for residences owned and occupied for more than 7 months of the year: [Senate Bill 542](#) and [House Bill 924](#).

### Senate Bill 542

- Lower tax rates beginning in 2026 for **principal residences**

### House Bill 924

- Property tax assistance for **primary residences** when the state property tax assistance account exceeds \$50 million

## DEFINITIONS OF RESIDENCE ARE SIMILAR, PENALTIES ARE DIFFERENT

The residences that qualify under each bill are nearly identical, except for a \$1 million market value limit for residences to receive tax assistance under HB 924. The other difference in the two programs is in the penalty for false or fraudulent claims.

The definitions of “principal residence” in SB 542 and “primary residence” in HB 924 are very similar. The only definitional differences, aside from the \$1 million limit, are a requirement for rulemaking to address a change in primary residence from one county to another in HB 924 and an exclusion for contiguous or adjacent parcels in SB 542.

The two bills take different approaches to penalties for false or fraudulent claims. Though both subject an applicant filing a false or fraudulent claim to criminal prosecution, SB 542 includes a penalty of three times the difference in taxes plus interest. HB 924 allows the amount of tax assistance to be recovered, and the applicant prohibited from claiming the tax assistance for 10 years.

## LAWS COULD EASE ADMINISTRATION BY LINKING ELIGIBILITY OR DEFINITIONS

The Department of Revenue hopes to use a single application for both programs. This process may be easier with law changes to link the eligibility or the definitions for the programs.

One option for aligning the two programs is to provide the tax assistance in HB 924 to all properties that qualify for the homestead reduced tax rate under Senate Bill 542. The \$1 million property value limit could be retained for the HB 924 tax assistance, but there would only be one penalty because there would be a single application.

## COMPARISON OF SB 542 AND GROWTH &amp; OPPORTUNITY TRUST PRINCIPAL RESIDENCE PROVISIONS

A second option is to link the definitions. They could be drafted to retain desired differences in the programs while preventing the definitions from changing in different ways over time. DOR could likely use a single application for both programs but would have to separately state penalties for each.

The following table identifies the similarities and differences in the provisions of the two bills and provides possible law changes that could ease administration.

Provision	Senate Bill 542	House Bill 924	Link Eligibility	Link Definitions
Eligibility	"Principal residence" of any value	"Primary residence" limited to market value of \$1 million or less	Provide that a principal residence valued at \$1 million or less that receives the homestead reduced tax rate automatically receives the HB 924 assistance	Revise the HB 924 definition to link to the SB 542 definition but add special provisions for the \$1 million limit and the required rules for changes in residence that cross county lines
	No rules related to changing residences across county lines required because the tax relief is through lower tax rates and not a rebate on the tax bill	Requires DOR rules for taxpayers who changed residences during the year if the residences are in different counties	Retain requirement for DOR rulemaking	
	Excludes contiguous or adjacent parcels	Does not exclude contiguous or adjacent parcels	Likely no impact if exclude contiguous or adjacent parcels in HB 924 because the assistance is the same for each primary residence and likely won't exceed taxes paid	
Penalty	3 times the difference between the taxes paid and the taxes that would have been paid if the taxpayer didn't qualify for the homestead reduced tax rate	<ul style="list-style-type: none"> <li>Amount of tax assistance fraudulently claimed</li> <li>May be prohibited from claiming future tax assistance for 10 years</li> </ul>	Defaults to SB 542 penalty and interest provisions	Not necessary to align penalties
	Interest charged on penalty	Not clear if interest is charged on penalty		Clarify whether interest applies in HB 924
Appeals	Appeals process the same in both bills		Remove references to HB 924 tax assistance because program eligibility would be through SB 542	Amendments to appeals statutes are clunky and could be cleaned up if other changes are made