

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3509

**DATE:** April 6, 2006

**Version:** As introduced

**Authors:** Marquart and others

**Subject:** Increasing market value credits; restoring market value credit cuts

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### Overview

This bill increases the residential and the agricultural market value homestead maximums beginning in taxes payable 2007. It also restores the 2006 market value credit cuts to cities.

#### Section

**1 Residential homestead market value credit.** Increases the residential homestead market value credit rate from 0.4 percent to 0.5 percent of market value to a maximum of \$380 on a \$76,000 market value home. The phase-out rate is changed from \$9 per \$10,000 to \$10 per \$10,000. The two changes meant that the value at which the credit zeros out increases from \$413,800 to \$456,000.

Effective for taxes payable in 2007 and thereafter.

**2 Agricultural homestead market value credit.** Increases the agricultural homestead market value credit rate from 0.3 percent to 0.4 percent on the first \$115,000 market value, with a corresponding increase in the maximum credit from \$345 to \$460. The phase-out rate and limit are unchanged, so that the minimum credit (for farms valued over \$345,000) increases to \$345.

Effective for taxes payable in 2007 and thereafter.

**3 Market value credit cuts.** Restores the 2006 cuts to city market value credit

**Section**

reimbursements payments.

Effective the day following final enactment.