

House Property Tax Division
Revenue Impact Summary for Selected Property Tax bills -
Wednesday, March 16, 2022

Updated

3.15.2022

Note: This table reflects expenditure changes to the base budget reflected in the **February 2022 forecast**. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)						
			FY 2022	FY 2023	FY 22-23	FY 2024	FY 2025	FY 24-25	
Property Tax changes - School levies									
1	HF 3224	Hout	School District Equalization Aid Provides add'l equalization aid for school districts; simplifies aid/levy formulas for debt service revenue, local option revenue, long-term facility maintenance revenue, operating referendum revenue. Reduces property taxes, appropriates money. Various effective dates State District State Aids -Debt service, local option, LTFM, operating referedum Property Tax Refund interactions Income Tax interactions School Building Bond Agriculture Credit General Fund	0	140,510	140,510	401,510	497,250	898,760
2	HF 3906	Keeler	Local Option Revenue (LOR) - Equalization Enhanced and Levies Reduced Increases first tier equalizing factor from \$880,000 to \$930,000; increases second tier equalizing factor from \$510,000 to \$560,000. Effective beginning FY 2024 Current LOR totals \$625 million with \$542 million in local LOR levy, \$83 million in LOR State Aid. Local Option Revenue - State Aid (equals amount of local LOR levy reduction) Property Tax Refund interactions Income Tax interactions General Fund	0	0	0	13,850	13,720	27,570
3	HF 3725	Huot	Special (Targeting) Property Tax Refund changes 1) Reduces from 12% to 10% the increase in property taxes for which a special property tax refund can be claimed. The refund equals 60% of the prior year property taxes over 10% or \$100. 2) Increases the maximum refund from \$1,000 to \$2,000. Effective for payable year 2023/FY 2024 Currently 53,000 filers receive an average refund of \$100. With these changes, 20,000 additional filers would receive a refund and the average refund would increase \$30. General Fund	0	0	0	1,900	2,000	3,900

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			FY 2022	FY 2023	FY 22-23	FY 2024	FY 2025	FY 24-25
4	HF 3866 w A1	Bahner Property Tax Refund - Increase Senior / Disability claimants subtraction, expand income limit and increase maximum refund A total of 441,000 filers would see an increased refund as follows: 1) Increase senior/disability subtraction by 50%, <u>Homestead Credit State Refund</u> - 244,000 filers to receive average refund increase of \$48 <u>Renter Property Tax Refund</u> - 91,000 filers to receive average refund increase of \$48 Also 8,000 newly eligible filers Subtotal - Increase Senior Disability Subtraction 50% 2) Extend eligible household income from \$125,080 to \$155,000, and increase maximum refund by \$500 <u>Homestead Credit State Refund</u> - Increasing max refunds, 73,000 filers to receive avg refund increase of \$335 Extending the HH income limit 46,000 newly eligible filers to receive avg refund of \$446 General Fund	0	0	0	11,900	13,000	24,900
			0	0	0	4,500	4,800	9,300
			0	0	0	16,400	17,800	34,200
			0	0	0	44,500	48,500	93,000
			0	0	0	60,900	66,300	127,200
5	HF 3518 w A1	Youakim Homestead Credit Property Tax Refund modifications Reduce copay 5-10%, increase maximum refund \$300, reduce thresholds by 0.1% for incomes \$21,800-\$32,800 Effective for pay 2023/FY 2024 576,700 filers to receive average refund increase of \$155 Also 500 newly eligible filers General Fund	0	0	0	89,500	92,900	182,400
			0	0	0	89,500	92,900	182,400

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Property Tax changes								
6 HF 3629	Morrison	Homestead Market Value Exclusion (MVE) changes Effective for assessment year 2023. * increases exclusion from 40% market value up to \$76,000 to \$80,300; maximum exclusion of \$30,400 increased to \$32,120 *increases value of homesteads eligible for exclusion from \$413,800 to \$437,100 95% of 1.32 million homesteads that qualify for the MVE would receive an increase in exclusion, plus 37,000 additional homesteads would qualify PTR interaction (burden shifting away from hmstds)	0	0	0	0	(1,610)	(1,610)
		General Fund	0	0	0	0	(1,610)	(1,610)