Overview

This bill combines the property tax refund schedules for homeowners and renters. It uses the homeowners' schedule for income ranges, threshold percentages, and co-payment percentages. In general, the homeowners' schedule has higher threshold percentages (to determine if the claimant qualifies for a refund) and high co-payment percentage (i.e., the credit or refund percentage is lower) than the renters' schedule. The homeowners' schedule, however, applies up to high income levels ($69,000 versus $40,000 for renters). The combined schedule uses the higher maximums under the renters schedule ($1,160 for renters versus $500 for homeowners).

The bill also increases the percentage of rent constituting property taxes from 19 percent to 20 percent.

Section

1. **Rent constituting property taxes.** Increases the percentage of rent assumed to constitute property taxes for the property tax refund from 19 percent to 20 percent.

2. **Mobile home site rent.** Increases the percentage of rent assumed to constitute property taxes for mobile home site rent from 19 percent to 20 percent.

3. **Cross reference.** Repeals a reference to the subdivision that contains the schedule for the renters property tax refund, since section 7 repeals this subdivision.

4. **Combined homeowners and renters schedule.** Combines the property tax refund schedule for homeowners and renters. The combined schedule uses the homeowners' schedule and the higher maximum refunds from the renters' schedule. This has the effect of increasing the threshold and co-payment percentage for many categories of renters, but allows renters with incomes over $40,000 to qualify, if their rents are a high enough percentage of their incomes. For homeowners, its principal effect is to increase the maximum refund from $500 to $1,160.

5. **Indexing.** Resets the indexing adjustment to take into account the new combined schedule.

6. **Cross reference.** Changes a reference to the subdivision providing renters property tax refund
to reflect combining the schedule with the homeowners' schedule.

7 **Repealer.** Repeals the separate schedule for renters and an obsolete subdivision that related to refunds paid in the year after repeal of the homestead credit.

8 **Effective date.** Provides the changes are effective for taxes payable in 2000 and rent paid in 1999.