Overview

Provides for greater similarity between the homeowner and renter property tax refund schedules, with the homeowner schedule modified so that the threshold and copayment percentage and maximum refund are the same as for renters. Decreases the number of income brackets for each schedule, with the homeowner schedule continuing to extend to a higher income ($70,000) than does the renters' schedule ($41,000).

1. **Property tax refund schedule for homeowners.** Modifies and compresses the property tax refund schedule for homeowners, with the number of income brackets specified in the table decreasing from 24 to 13. Increases the maximum refund to $1,200 beginning with returns filed in 2001, compared to a projected maximum refund of $510. The proposed maximum refund is close to the current law maximum for renters. Sets the maximum income eligible at $71,000. Since the income brackets are adjusted annually for inflation, the change to the maximum income approximates current law for returns filed in 2001 (projected maximum income is $71,410).

2. **Property tax refund schedule for renters.** Compresses the property tax refund schedule for renters from 29 income brackets to 14. This has the effect of decreasing the threshold percentages at each income levels. Sets the maximum refund at $1,200, and the maximum income eligible at $41,000. Since the income and maximum refund are adjusted annually for inflation, the changes to the maximum income and refund approximate current law for returns filed in 2001 (projected maximum refund is $1,190 and maximum income is $41,650).

3. **Inflation adjustment.** Updates the base year for the annual inflation adjustment of the schedules for both homeowners and renters.

4. **Effective date.** Effective for claims based on rent constituting property taxes paid in 2000 and property taxes payable in payable 2001 and thereafter.