

HOUSE RESEARCH

Bill Summary

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Overview

Targeting property tax refund. Decreases the percentage increase in homestead property taxes from one year to the next from 12 percent to 10 percent in determining eligibility for the targeting property tax refund.

Section

1 Targeting property tax refund. Targeting property tax refund. Decreases the percentage increase in homestead property taxes from one year to the next from 12 percent to 10 percent in determining eligibility for the targeting property tax refund.

Background. The targeting refund directs property tax relief to homeowners who have large property tax increases from one year to the next, without regard to their income. The refund equals 60 percent of the increase in property taxes over the greater of

- (1) 12 percent of the previous year's tax after deduction of targeting, or
- (2) \$100.

The maximum refund is \$1,000. If any improvements were made to the home since the previous year, the portion of the tax increase resulting from the improvements must be subtracted when determining the refund. The targeting refund is calculated prior to calculation of the homestead credit refund ("circuit breaker").