

SHARED REVENUE AND TAX RELIEF -- PROPERTY TAX CREDITS

Homestead Tax Credit Modifications
[LFB Paper #571, #572, #573, and #574]

Motion:

Move the following:

a. LFB Paper #571: adopt the homestead credit sum sufficient reestimate of \$95,000,000 GPR in 2017-18 and \$94,500,000 GPR in 2018-19 [this would reduce funding for the credit by \$1,000,000 GPR in 2017-18 and \$500,000 GPR in 2018-19 compared to AB 64/SB 30].

b. LFB Paper #572: adopt alternative 2, which modifies the Governor's proposal so that for homestead credit claims filed for tax year 2018 and thereafter, all homestead credit claimants aged 62 or older, claimants whose spouse is 62 or older, claimants who are disabled, and claimants with earned income would be eligible for the current law credit. Non-disabled claimants under the age of 62 without earned income would be ineligible for the current law credit [this would increase funding for the credit by \$5,200,000 in 2018-19 compared to AB 64/SB 30].

c. LFB Paper #573: adopt alternative C1, which deletes the Governor's recommendation to index the homestead credit maximum income and income threshold formula factors beginning with claims filed for tax year 2018 and thereafter [this would reduce funding for the credit by \$2,500,000 in 2018-19 compared to AB 64/SB 30].

d. LFB Paper #574: adopt alternative 3, which modifies the Governor's recommendation and requires homestead credit claimants to report total disqualified losses, as defined in AB 64/SB 30, in the calculation of household income under the homestead credit in tax year 2017 and thereafter [this would reduce funding for the credit by \$1,130,000 annually compared to AB 64/SB 30].

Note:

This motion would adopt the sum sufficient reestimate, which reduces homestead credit expenditures by \$1,000,000 in 2017-18 and \$500,000 in 2018-19 compared to the bill [LFB Paper #571].

This motion would delete the Governor's proposed modified credit. However, it would retain the provision that those without earned income would no longer be eligible for the credit. Claimants who are 62 or older, claimants whose spouse is 62 or older, claimants who are disabled, and claimants with earned income would be eligible for the current law credit, beginning in tax year 2018 [LFB Paper #572].

This motion would delete the Governor's proposal to index the maximum income level and income threshold formula factors for claimants aged 62 or older, whose spouse is 62 or older, or who are disabled, beginning in tax year 2018 [LFB Paper #573].

This motion would modify the Governor's recommendation that would require claimants to report disqualified losses, beginning in tax year 2017. Rather, homestead credit claimants must report any disqualified losses, as defined in the bill, in the calculation of household income under the homestead credit [LFB Paper #574].

[Change to Base: -\$22,300,000 GPR]

[Change to Bill: -\$1,060,000 GPR]