

SB 160 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Sub-Referral To: Joint Committee On Tax Credits

Meeting Dates: 3/20

WHAT THE MEASURE DOES:

Creates a refundable personal income tax credit for property taxes paid by homeowners who are at least 65 years old and have income under \$40,000. The tax credit is 50 percent of the amount due that exceeds 10 percent of their income. If the taxpayer is a participant in the Senior Deferral Program, refundable payments will be credited to that account. First applies to tax year 2017.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

As an example, if an eligible taxpayer has income of \$30,000 and has property taxes of \$4,000, they would be eligible for a \$500 tax credit. Ten percent of their income is \$3,000. The amount of property tax that exceeds that threshold is \$1,000. The income tax credit is 50 percent of that excess amount.