

HB 842 -- HOMESTEAD PRESERVATION ACT

SPONSOR: Burton

This bill establishes the "Homestead Preservation Act", which provides a tax credit for eligible senior citizens and disabled individuals, as defined in the bill. Eligibility for the Homestead Tax Credit is also dependent upon the taxpayer's payment in full for any individual property taxes for the three most recent tax years.

Each eligible taxpayer shall submit an application for the Tax Credit to the Department of Revenue (DOR). Upon receipt of the application, DOR shall verify the applicants eligibility, and calculate the taxes. The Director of DOR shall then provide a list of eligible applicants to all county assessors. The county assessors shall then provide DOR with a list of verified eligible taxpayer who made improvements to their property. If the dollar amount of the assessed value of such improvements totals more than 5% of the assessed value from the most recent prior tax year, such eligible owners shall be disqualified from receiving the credit in the current tax year.

A limitation shall be placed on the current homestead exemption and shall be based on the increase in taxes from two years prior to the application of the tax credit to the year immediately prior to the application.

If in the most recent prior tax year the property taxes on any parcel of subclass (1) real property increases by more than the homestead exemption limit, any eligible owner of the property shall receive a homestead exemption credit to be applied toward the current tax year property taxes to offset the prior year increase in taxes that exceeds the homestead exemption limit.

The Director of DOR shall calculate the level of appropriation necessary to set the homestead exemption limit for the homesteads of all verified eligible owners at 5% when based on a year of general reassessment, or at 2.5% when based on a year without general reassessment.

In the event that an eligible owner dies or transfers ownership of the property after the homestead exemption limit has been set in any given year, the credit shall be void and any corresponding moneys shall lapse to the state to be credited to the General Revenue Fund.

The provisions of this bill will sunset six years after the effective date.

The bill has a delayed effective date of January 1, 2024.

This bill is similar to HB 2892 (2022).