

HB 1636 -- REAL PROPERTY TAXES

SPONSOR: Terry

This bill amends statutes related to senior citizens property tax relief, also known as the Circuit Breaker tax credit.

This tax credit is available to eligible senior citizens and disabled veterans for a portion of their real estate taxes or rent that such individuals have paid for the year.

Currently, the tax credit is limited to qualifying taxpayers with an income of \$30,000 or less in the case of a homestead owned and occupied by a claimant for the entire year. An additional exemption of \$4,000 is provided when a qualifying taxpayer's spouse resides at the same address, bringing the total credit to \$34,000 for a married homestead owner.

Currently, the tax credit is further limited to qualifying taxpayers with an income of \$27,200 or less in the case of a renter. An additional exemption of \$2,000 is provided when a qualifying taxpayer's spouse resides at the same address, bringing the total credit to \$29,200 for a married renter.

This bill increases the maximum income levels in the following manner:

For an unmarried homeowner: from \$30,000, now \$42,200;

For a married homeowner: the additional exemption is increased from \$4,000 to \$5,800, making the total credit now \$48,000;

For an unmarried renter: from \$27,200, now \$38,200;

For a married renter: the additional exemption is increased from \$2,000 to \$2,800, making the total credit now \$41,000.

Beginning January 1, 2026, the maximum upper limits shall be increased annually for inflation based on the Consumer Price Index.

Currently, the tax credit is set a maximum of \$1,100 in actual property taxes paid for a homeowner, and a maximum of \$750 in rent constituting property taxes actually paid for renters.

This bill increases the maximum amount of the tax credit in the following manner:

For a homeowner: from \$1,100, now \$1,550;

For a renter: from \$750, now \$1,055.

Beginning January 1, 2026, the maximum property tax credits shall be increased annually for inflation based on the Consumer Price Index.

If the income on a return is over the minimum base but not over the maximum upper limit, the property tax shall be in increments of \$25 and the income in increments of \$495.

Beginning January 1, 2025, this bill provides a tax credit for senior citizens or for disabled individuals who:

- (1) Have reached the age of 65;
- (2) Are the owners of a home used as their primary residence;
- (3) Are liable for real property taxes on the property; and
- (4) Have a total household income of \$125,000.

Qualifying taxpayers are eligible for an annual tax credit for such property that is used as a homestead equal to 100% of the tax assessed on their homestead. Each eligible homeowner who has been granted an exemption shall reapply on an annual basis.

A qualifying taxpayer shall not claim such a tax credit if such taxpayer has also claimed the Senior Citizen Property Tax Relief tax credit (the Circuit Breaker) for the same tax year. Such tax credit shall be refundable, but shall not be transferred, sold, or assigned. This program expires December 31, 2030.

This bill is similar to HB 1351 (2023).