

HB 518 -- PROPERTY TAX CREDITS

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This bill amends statutes related to the Senior Citizens Property Tax Relief, also known as the Circuit Breaker tax credit.

The 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 \$27,000 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 \$27,000, 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, 2027, the maximum upper limits will be increased annually for inflation based on the Consumer Price Index.

Currently, the tax credit is set at 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.

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

This bill is the same as HB 1670 (2024) and similar to HCS HB 1134 (2023); HB 135 (2023).