

**PROPERTY TAX RELIEF AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Phil Lyman**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 13 voting for 0 voting against 5 absent

**General Description:**

This bill modifies provisions relating to the property tax relief commonly known as "circuit breaker."

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ modifies the income qualifications for circuit breaker tax relief;
- ▶ authorizes the State Tax Commission to make rules to establish the circumstances

that would allow an extension of the application deadline for circuit breaker tax relief; and

- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:



28 **59-2-1202**, as last amended by Laws of Utah 2021, Chapter 391

29 **59-2-1220**, as last amended by Laws of Utah 2021, Chapter 391



31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **59-2-1202** is amended to read:

33 **59-2-1202. Definitions.**

34 As used in this part:

35 (1) (a) "Claimant" means a homeowner or renter who:

36 (i) files a claim under this part for a residence;

37 (ii) is domiciled in this state for the entire calendar year for which a claim for relief is  
38 filed under this part; and

39 (iii) on or before December 31 of the year for which a claim for relief is filed under this  
40 part, is:

41 (A) 66 years old or older if the individual was born on or before December 31, 1959; or

42 (B) 67 years old or older if the individual was born on or after January 1, 1960.

43 (b) Notwithstanding Subsection (1)(a), "claimant" includes a surviving spouse:

44 (i) regardless of:

45 (A) the age of the surviving spouse; or

46 (B) the age of the deceased spouse at the time of death;

47 (ii) if the surviving spouse meets the requirements of this part except for the age  
48 requirement;

49 (iii) if the surviving spouse is part of the same household of the deceased spouse at the  
50 time of death of the deceased spouse; and

51 (iv) if the surviving spouse is unmarried at the time the surviving spouse files the  
52 claim.

53 (c) If two or more individuals of a household are able to meet the qualifications for a  
54 claimant, they may determine among them as to who the claimant shall be, but if they are  
55 unable to agree, the matter shall be referred to the county legislative body for a determination  
56 of the claimant of an owned residence and to the commission for a determination of the  
57 claimant of a rented residence.

58 (2) "Consumer price index housing" means the Consumer Price Index - All Urban

59 Consumers, Housing United States Cities Average, published by the Bureau of Labor Statistics  
60 of the United States Department of Labor.

61 (3) (a) "Gross rent" means rent actually paid in cash or its equivalent solely for the  
62 right of occupancy, at arm's-length, of a residence, exclusive of charges for any utilities,  
63 services, furniture, furnishings, or personal appliances furnished by the landlord as a part of the  
64 rental agreement.

65 (b) If a claimant occupies two or more residences in the year, "gross rent" means the  
66 total rent paid for the residences during the one-year period for which the renter files a claim  
67 under this part.

68 (4) (a) "Homeowner" means:

69 (i) an individual whose name is listed on the deed of a residence; or

70 (ii) if a residence is owned in a qualifying trust, an individual who is a grantor, trustor,  
71 or settlor or holds another similar role in the trust.

72 (b) "Homeowner" does not include:

73 (i) if a residence is owned by any type of entity other than a qualifying trust, an  
74 individual who holds an ownership interest in that entity; or

75 (ii) an individual who is listed on a deed of a residence along with an entity other than  
76 a qualifying trust.

77 (5) "Homeowner's credit" means a credit against a claimant's property tax liability.

78 (6) "Household" means the association of individuals who live in the same dwelling,  
79 sharing the dwelling's furnishings, facilities, accommodations, and expenses.

80 (7) (a) Except as provided in Subsection (7)(b), "household income" means all income  
81 received by all members of a claimant's household in:

82 (i) for a claimant who owns a residence, the calendar year preceding the calendar year  
83 in which property taxes are due; or

84 (ii) for a claimant who rents a residence, the year for which a claim is filed.

85 (b) "Household income" does not include income received by a member of a claimant's  
86 household who is:

87 (i) under the age of 18; or

88 (ii) a parent or a grandparent, through blood, marriage, or adoption, of the claimant or  
89 the claimant's spouse.

90 (8) ~~(a)~~ "Income" means the sum of:

91 ~~(i)~~ (a) federal adjusted gross income as defined in Section 62, Internal Revenue Code;

92 and

93 ~~(ii)~~ (b) nontaxable income.

94 ~~(b) "Income" does not include:~~

95 ~~(i) aid, assistance, or contributions from a tax-exempt nongovernmental source;~~

96 ~~(ii) surplus foods;~~

97 ~~(iii) relief in kind supplied by a public or private agency;~~

98 ~~(iv) relief provided under this part or Part 18, Tax Deferral and Tax Abatement; or]~~

99 ~~(v) Social Security Disability Income payments received under the Social Security~~

100 Act.].

101 (9) (a) "Nontaxable income" means amounts excluded from adjusted gross income

102 under the Internal Revenue Code, including:

103 ~~(a)~~ (i) capital gains;

104 ~~(b)~~ (ii) loss carry forwards claimed during the taxable year in which a claimant files  
105 for relief under this part or Part 18, Tax Deferral and Tax Abatement;

106 ~~(c)~~ (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on  
107 the residence for which the claimant files for relief under this part or Part 18, Tax Deferral and  
108 Tax Abatement;

109 ~~(d)~~ (iv) support money received;

110 ~~(e)~~ (v) nontaxable strike benefits;

111 ~~(f) cash public assistance or relief;]~~

112 ~~(g)~~ (vi) the gross amount of a pension or annuity, including benefits under the  
113 Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability pensions;

114 ~~(h)~~ (vii) except for payments described in Subsection ~~[(8)(b)(v)]~~ (9)(b)(vi), payments  
115 received under the Social Security Act;

116 ~~(i)~~ (viii) state unemployment insurance amounts;

117 ~~(j)~~ (ix) nontaxable interest received from any source;

118 ~~(k)~~ (x) workers' compensation;

119 ~~(l)~~ (xi) the gross amount of "loss of time" insurance; and

120 ~~(m)~~ (xii) voluntary contributions to a tax-deferred retirement plan.

- 121 (b) "Nontaxable income" does not include:  
122 (i) public assistance;  
123 (ii) aid, assistance, or contributions from a tax-exempt nongovernmental source;  
124 (iii) surplus foods;  
125 (iv) relief in kind supplied by a public or private agency;  
126 (v) relief provided under this part of Part 18, Tax Deferral and Tax Abatement;  
127 (vi) Social Security Disability Income payments received under the Social Security  
128 Act;  
129 (vii) federal tax refunds;  
130 (viii) federal child tax credits received under 26 U.S.C. Sec. 24;  
131 (ix) federal earned income tax credits received under 26 U.S.C. Sec. 32;  
132 (x) payments received under a reverse mortgage;  
133 (xi) payments or reimbursements to senior program volunteers under 42 U.S.C. Sec.  
134 5058; or  
135 (xii) gifts or bequests.

136 (10) (a) "Property taxes accrued" means property taxes, exclusive of special  
137 assessments, delinquent interest, and charges for service, levied on 35% of the fair market  
138 value, as reflected on the assessment roll, of a claimant's residence in this state.

139 (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the  
140 land upon which the home is situated and on the structure of the home itself, whether classified  
141 as real property or personal property taxes.

142 (c) The relief described in Subsection (10)(a) constitutes:

143 (i) a tax abatement for the poor in accordance with Utah Constitution, Article XIII,  
144 Section 3; and

145 (ii) the residential exemption provided for in Section [59-2-103](#).

146 (d) For purposes of this Subsection (10), property taxes accrued are levied on the lien  
147 date.

148 (e) When a household owns and occupies two or more different residences in this state  
149 in the same calendar year, and neither residence is acquired or sold during the calendar year for  
150 which relief is claimed under this part, property taxes accrued shall relate only to the residence  
151 occupied on the lien date by the household as the household's principal place of residence.

152 (f) (i) If a residence is an integral part of a large unit such as a farm or a multipurpose  
153 or multidwelling building, property taxes accrued shall be calculated on the percentage that the  
154 value of the residence is of the total value of the unit.

155 (ii) For purposes of this Subsection (10)(f), "unit" refers to the parcel of property  
156 covered by a single tax statement of which the residence is a part.

157 (11) "Public assistance" means:

158 (a) medical assistance provided under Title 26B, Chapter 3, Health Care -  
159 Administration and Assistance;

160 (b) SNAP benefits as defined in Section 35A-1-102;

161 (c) services or benefits provided under Title 35A, Chapter 3, Employment Support Act;

162 and

163 (d) foster care maintenance payments provided from the General Fund or under Title  
164 IV-E of the Social Security Act.

165 [~~(11)~~] (12) "Qualifying trust" means a trust holding title to real or tangible personal  
166 property for which an individual:

167 (a) makes a claim under this part;

168 (b) proves to the satisfaction of the county that title to the portion of the trust will  
169 revest in the individual upon the exercise of a power:

170 (i) by:

171 (A) the individual as grantor, trustor, settlor, or in another similar role of the trust;

172 (B) a nonadverse party; or

173 (C) both the individual and a nonadverse party; and

174 (ii) regardless of whether the power is a power:

175 (A) to revoke;

176 (B) to terminate;

177 (C) to alter;

178 (D) to amend; or

179 (E) to appoint; and

180 (c) is obligated to pay the taxes on that portion of the trust property beginning January  
181 1 of the year the individual makes the claim.

182 [~~(12)~~] (13) (a) "Rental assistance payment" means any payment that:

183 (i) is made by a:

184 (A) governmental entity;

185 (B) charitable organization; or

186 (C) religious organization; and

187 (ii) is specifically designated for the payment of rent of a claimant:

188 (A) for the calendar year for which the claimant seeks a renter's credit under this part;

189 and

190 (B) regardless of whether the payment is made to the claimant or the landlord.

191 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

192 commission may make rules defining the terms:

193 (i) "governmental entity";

194 (ii) "charitable organization"; or

195 (iii) "religious organization."

196 ~~[(13)]~~ (14) (a) (i) "Residence" means the dwelling in this state, whether owned or

197 rented, and so much of the land surrounding the dwelling, not exceeding one acre, as is

198 reasonably necessary for use of the dwelling as a home.

199 (ii) "Residence" includes a dwelling that is:

200 (A) a part of a multidwelling or multipurpose building and a part of the land upon

201 which the multidwelling or multipurpose building is built; and

202 (B) a mobile home or houseboat.

203 (b) "Residence" does not include personal property such as furniture, furnishings, or

204 appliances.

205 (c) For purposes of this Subsection ~~[(13)]~~ (14), "owned" includes a vendee in

206 possession under a land contract or one or more joint tenants or tenants in common.

207 Section 2. Section **59-2-1220** is amended to read:

208 **59-2-1220. Extension of time for filing application -- Rulemaking authority --**

209 **County authority to make refunds.**

210 (1) (a) The commission or a county may extend the time for filing an application until

211 December 31 of the year the application is required to be filed[;] if, subject to any rules made

212 by the commission under Subsection (1)(b), the commission or county finds that good cause

213 exists to extend the deadline.

214 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
215 commission may make rules to establish the circumstances under which the commission or a  
216 county may, for good cause, extend the deadline for filing an application under Subsection  
217 (1)(a).

218 (2) (a) For purposes of this Subsection (2):

219 (i) "Abatement" means the amount of property taxes accrued that constitutes a tax  
220 abatement for the poor in accordance with Subsection 59-2-1202(10).

221 (ii) "Credit" means a homeowner's credit or renter's credit authorized by this part.

222 (iii) "Property taxes due" means the taxes due on a claimant's property:

223 (A) for which the county or the commission grants an abatement or a credit; and

224 (B) for the calendar year for which the abatement or credit is granted.

225 (iv) "Property taxes paid" is an amount equal to the sum of:

226 (A) the amount of the property taxes paid for the taxable year for which the claimant is  
227 applying for the abatement or credit; and

228 (B) the amount of the abatement or credit the county or the commission grants.

229 (b) A county or the commission granting an abatement or a credit to a claimant shall  
230 refund to that claimant an amount equal to the amount by which the claimant's property taxes  
231 paid exceed the claimant's property taxes due, if that amount is \$1 or more.

232 Section 3. **Effective date.**

233 This bill takes effect on May 1, 2024.

234 Section 4. **Retrospective operation.**

235 This bill has retrospective operation for a taxable year beginning on or after January 1,  
236 2024.