

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

| | | | | | |
|--------------|-----------------------------------------------|-------------|----------|----------|----------|
| SPONSOR: | Stapleton | DATE TYPED: | 02/02/00 | HB | HJR-9 |
| SHORT TITLE: | Property Tax: Veterans & 65 & Over Exemptions | | | SB | |
| | | | | ANALYST: | Williams |

REVENUE

| Estimated Revenue | | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|------|-------------------------------|-------------------------|------------------|
| FY00 | FY01 | | | |
| | | Uncertain, but probably small | | |

(Parenthesis () Indicate Revenue Decreases)

Relates to H 90, H 278, HJR-3, HJR-6, S 259, S 282, SJR-2

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Would authorize a constitutional amendment to be considered by the voters to change the tax exemptions for veterans and taxpayers 65 and over. The veteran exemption would be raised from \$2,000 to \$4,000. An additional exemption of \$2,000 of value of the principal residence would be available for taxpayers 65 and older with an income less than \$30,000 per year.

FISCAL IMPLICATIONS

According to TRD, there is uncertainty regarding the fiscal impacts of the bill; however, fiscal impacts are expected to be small. There would be a minor increase in tax bills, estimated at 0.7 percent, paid by individuals not qualifying for the veterans exemption. With respect to the over sixty-five portion of the bill, TRD estimates approximately 17,500 would qualify for the \$2,000 exemption, resulting in \$875,000 in tax relief. Rates on other properties would rise to offset this exemption. Combined effects of the two exemptions are thought to be less than 1 percent, on average, for all taxpayers.

ADMINISTRATIVE IMPLICATIONS

TRD would verify qualification criteria, potentially at significant costs.

TECHNICAL ISSUES

Note the lack of a specific definition for income in the bill.

AW/gm

