

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.

## FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 2/15/97 HB \_\_\_\_\_

SHORT TITLE Local Option Property Tax Rebate SB 604

ANALYST Taylor

### REVENUE

<u>Estimated Revenue</u>	<u>Subsequent</u>	<u>Recurring</u>	<u>Fund</u>
<u>FY97</u>	<u>Years Impact</u>	<u>or Non-Rec</u>	<u>Affected</u>
<u>\$ N.F.I.</u>	<u>\$ Uncertain</u>	<u>\$ Uncertain</u>	<u>Recurring</u>
			<u>General Fund</u>

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to SJR3 and SB395a/SWMC

### SOURCES OF INFORMATION

None. Analyses were requested from the Taxation and Revenue Department (TRD) and the Local Government Division (LGD), Department of Finance and Administration (DFA), but as of this writing, neither had submitted an analysis.

### SUMMARY

#### Synopsis of Bill

Senate Bill 604 would increase the maximum income tax rebate for property taxes paid on principal place of residence by low income citizens. The maximum rebate is increased from \$250 to \$350 per return. Also, the income limits are expanded from \$16,000 to \$24,000. The property tax rebate for the existing classes remains the same except for the \$14,000 to \$16,000 income group where it is increased from 50% to 55% of property tax liability. The property tax rebates for the newly added income groupings decrease as income rises.

### FISCAL IMPLICATIONS

As of this writing, TRD has not issued an FIR that would provide a basis for quantifying the costs of expanding the rebate.

### ADMINISTRATIVE IMPLICATIONS

TRD has claimed that the administrative impact for bills similar to this one would be minor.

**RELATIONSHIP**

SJR-3 proposes a constitutional amendment that would cap the valuation of the principal residence for persons aged 65 or older.

SB-395 proposed expanding the income tax credit by increasing the maximum rebate to \$650 and by expanding income eligibility to individuals with incomes up to \$25,000. The bill was amended in SWMC to require that any county wishing to participate in the program's expansion reimburse the state for the costs of the rebates.

WST/sb