

**Homestead Tax Credit
House Bill No. 1006**

	FTE Positions	General Fund	Other Funds	Total
2001-03 executive budget (Governor Schafer) (bills as introduced)	0.00	\$4,540,813	\$0	\$4,540,813
2001-03 legislative appropriations	0.00	4,540,813	0	4,540,813
Legislative increase (decrease) to executive budget	0.00	\$0	\$0	\$0
Legislative increase (decrease) to 1999-2001 appropriations				\$0
2001-03 Governor Hoeven's recommendation	0.00	\$4,540,813	\$0	\$4,540,813
Legislative increase (decrease) to Governor Hoeven's recommendation	0.00	\$0	\$0	\$0

GOVERNOR HOEVEN'S RECOMMENDATIONS

The Hoeven recommendation did not change the Schafer recommendation.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET (SCHAFER) AND MAJOR FUNDING ITEMS

Major Items

The Legislative Assembly did not change the executive recommendation for funding for the homestead tax credit.

Program Statistics

The schedule below presents the number of eligible homeowners and renters and the payments made in recent years:

	Number Eligible for Program			Payments Made Under Program		
	Homeowners	Renters	Total	Homeowners	Renters	Total
1997	5,680	1,499	7,179	\$2,072,141	\$166,841	\$2,238,982
1998	5,278	1,482	6,760	\$1,974,283	\$165,060	\$2,139,343
1999	4,943	1,454	6,397	\$1,852,124	\$173,370	\$2,025,494
2000	4,457	1,508	5,965	\$1,817,552	\$190,211	\$2,007,763

For eligible homeowners, the program provides for a graduated reduction in the taxable value and resulting taxes of a person's homestead.

For eligible renters, the program provides a direct payment to renters of the amount by which 20 percent of the rent, representing property taxes, exceeds four percent of the applicant's annual income.

Related Legislation

Program eligibility - House Bill No. 1059 relates to the deduction of certain medical expenses from income when determining the eligibility for the homestead tax credit. The bill provides that the term "medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the individual may use the standard mileage rate allowed for state officer and employee use of a personal motor vehicle.