

**FISCAL NOTE**  
**SENATE BILL NO. 2357**  
**LC# 23.1053.02000**  
**01/27/2023**

**1 - State Fiscal Effect**

*Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$(148,800,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

**3 - Bill and Fiscal Impact Summary**

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2357 creates a refundable primary residence income tax credit.

**4 - Fiscal Impact Sections Detail**

*Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1 and 2 of SB 2357 create a refundable primary residence income tax credit in the amount of 10% of property taxes or mobile home taxes that became due during the income tax taxable year and are paid, which were levied against the individual's primary residence in this state. The property taxes can include special assessments. The amount of the refundable credit may not exceed \$1,000.

A primary residence is a dwelling in this state, owned and occupied by an individual as that individual's primary

place of residence which is not exempt from property taxes as a farm residence. An individual may not have more than one primary residence.

The tax commissioner shall issue a refund in the amount of the credit in excess of the taxpayer's tax liability in the same manner as a claim for refund or credit of an overpayment of tax imposed.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

If enacted, SB 2357 may result in a reduction in revenue to the state general fund. The data supplied to the Office of State Tax Commissioner is all-inclusive, meaning that we are not able to distinguish between a primary and secondary residence. According to calculations based on this all-inclusive data, if all individuals with a residence in this state would claim the refundable primary residence property tax relief credit, then the estimated reduction is revenue in the 2023-2025 biennium is \$148.8 million.

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

## **Contact Information**

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