

FISCAL NOTE
SENATE BILL NO. 2201
LC# 25.0308.04000
01/17/2025

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.

| | 2023-2025 Biennium | | 2025-2027 Biennium | | 2027-2029 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | \$2,000,000 | | \$2,000,000 | | | |
| Appropriations | | | | | | |

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

Identify the fiscal effect on the appropriate political subdivision.

| | 2023-2025 Biennium | 2025-2027 Biennium | 2027-2029 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

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 2201 defines "Owned" and expands those eligible for the Primary Residence Credit to include homes held by a corporation, passthrough entity, or trust to be eligible for the credit enacted with HB 1158 in the 2023 Legislative session. This also included life estates and contracts for deed.

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.

If enacted SB 2201 would expand the Primary Residence Tax Credit to a primary residence held by a corporation, passthrough entity, or trust, life estates and property being purchased under a contract for deed. While there is no known resource that exists to track and report the number of homes held in trusts, the estimate is 4,000 homes to be eligible for the credit.

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.

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.

HB 2201 has a retroactive date effective for the first two taxable years beginning after December 31, 2023. Therefore 4,000 homes are estimated to be eligible under the definition for the full \$500 credit per primary residence, resulting in \$2 million of expenditures for 2023-2025 biennium and \$2 million of expenditures for the 2025-2027 biennium.

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.

HB 1158 appropriated \$103,225,000 to the 2023-2025 biennium for the Primary Residence Credit program. HB 1006 included \$103,225,000 in the base budget funding for the Primary Residence Credit program.

Contact Information

Name: Sherri Anderson

Agency: Office of State Tax Commissioner

Telephone: 7013283462

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