

FISCAL NOTE
HOUSE BILL NO. 1335
LC# 25.0897.01000
01/20/2025

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			\$85,280,694			
Appropriations			\$72,400,000			

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).

HB 1335 modifies and expands the existing age and income criteria for the homestead property tax credit program.

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.

Section 1 changes the minimum age limit requirement for eligibility from “65 and older” to “62 and older” for the homestead property tax credit.

Section 1 also modifies current income level criteria from “\$40,000 or less” to “\$70,000 or less,” to be eligible for 100% of the taxable valuation reduction of the person’s homestead, up to a maximum reduction of \$9,000.

Section 1 further modifies and expands current income level criteria from “more than \$40,000 but not more than \$70,000” to “more than \$70,000 but not more than \$100,000,” to receive 50% of the taxable valuation reduction of the person’s homestead, up to a maximum reduction of \$4,500.

Section 2 provides that the eligible time period is for taxable years beginning after December 31, 2024, to include taxable year 2025, and subsequent years thereafter.

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.

If enacted, Section 1 of HB 1335 is expected to provide an additional \$37,280,694 in new, property tax relief to eligible persons in the 2025-2027 biennium.

The 2023-2025 biennium baseline budget appropriation for the 2023-2025 homestead tax credit is \$72.4M. The 2025-2027 biennium estimate to fund the homestead program under current statute is \$48,000,000, \$24,400,000 less than the previous biennium.

In effect, the additional funding requirement and fiscal impact, not included in the 2023-2025 baseline or continuing appropriation of \$72.4M for the homestead property tax credit program, is \$12,880,694. In total, \$85,280,694 will be required to fund the homestead program if HB 1335 is enacted as introduced.

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.

If HB 1335 is enacted, an additional sum of \$12,880,694 out of any moneys in the general fund in the state treasury, not otherwise included as a continuing appropriation, or so much of the sum as may be necessary, are requested to be appropriated to the tax commissioner for the homestead property tax credit program during the biennium beginning July 1, 2025, and ending June 30, 2027. (See Section 6)

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