



Property Tax Credits

- Homestead Credit
- Renter's Refund
- Disabled Vets

Tax Commissioner Brian Kroshus

HOMESTEAD & RENTER'S REFUND PROPERTY TAX CREDITS

Senior citizens and individuals with disabilities may qualify for North Dakota property tax credits.



ELIGIBILITY REQUIREMENTS

- 65 years of age or older in the year for which the application is made (or the year the Renter's Refund is claimed).
- -OR-
- Permanently disabled.
 - Proof of total disability must be established.
 - Can be a homeowner or renter.
 - There is no age requirement for those permanently disabled.
 - A homeowner or renter with a disability must meet the same qualifications, except for age, as a senior citizen homeowner or renter.

HOMESTEAD PROPERTY TAX CREDIT

BENEFIT:

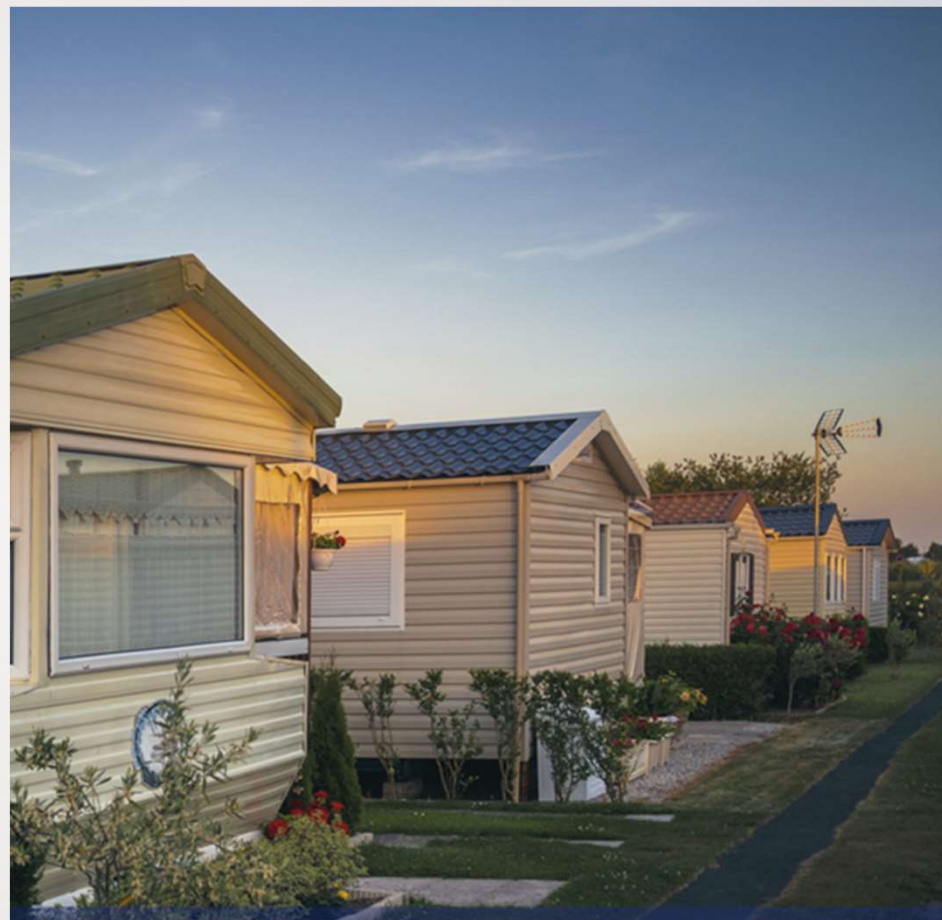
The credit reduces the homeowner's taxable value depending on the homeowner's income. The maximum reduction of taxable value may vary from \$4,500 to \$9,000.

APPLICATION PROCESS:

Homeowners must apply for a property tax credit with their local assessor or county directory of tax equalization by February 1.

INCOME REQUIREMENTS

If your income is:	Your taxable value is reduced by:	Maximum reduction of taxable value:	Maximum reduction of true and full value:
\$0 - 40,000	100%	\$9,000	\$200,000
\$40,001 - 70,000	50%	\$4,500	\$100,000



HOMESTEAD CREDIT QUALIFICATIONS

- Income received by the applicant, plus the income of a spouse and any dependents, for the calendar year preceding the assessment date may not exceed \$70,000 after deduction of eligible medical expenses.
- Income from all sources is considered.

HOMESTEAD CREDIT QUALIFICATIONS

- Income includes, but is not limited to:
 - Social Security benefits
 - Pensions, including military pension and I.R.A.
 - Salaries and wages
 - Dividends and Interest
 - Temporary Assistance programs
 - Gains from sale of property
 - Net rental income
 - Net profit from any business, including farming and ranching
 - Unemployment compensation benefits
 - Alimony

HOMESTEAD CREDIT QUALIFICATIONS

- Items which are not income for purposes of homestead credit include, but are not limited to:
 - Life insurance proceeds
 - Money received from gifts or inheritance
 - Social security lump sum death payments
 - Workers' compensation payments, including survivor benefits
 - Food stamps
 - Insurance proceeds for illness, injury or dismemberment
 - Insurance policy proceeds for casualty losses to property
 - Child support
 - Federal fuel assistance
 - VA disability

HOMESTEAD CREDIT QUALIFICATIONS

- Applicants may deduct from their income the amount of medical expenses actually paid by them or by any person dependent upon them and not reimbursed by insurance or other form of compensation.
- Medical expenses that have been incurred but not paid are not deductible.
- The term medical expenses has the same meaning as it has for federal income tax purposes. Prescription drugs are deductible but over-the-counter drugs are not deductible.

(See the back of this application for explanation of income from all sources.)
4. Applicant's and spouse's net income from Social Security benefits (exclude Medicare):
5. Applicant's and spouse's net income from salary and wages:
6. Applicant's and spouse's income from interest:
7. Applicant's and spouse's net income from all other sources:
8. Dependents' total net income from all sources:
9. Total income from all sources (add lines 4, 5, 6, 7, and 8):

4. Account of total income from both applicant and spouse for the Preceding Calendar Year See the back of this application for explanation of income from all sources.
a. Net income from Social Security benefits (Gross benefit minus Medicare premium):
b. Income from wages, salary, etc. (From Form 1040 or 1040-SR, line 1z):
c. Income from taxable interest and dividend income (From Form 1040 or 1040-SR, lines 2b and 3b):
d. Income from IRA's, pensions, and annuities (From Form 1040 or 1040-SR, lines 4b and 5b):
e. Capital gains and losses (From Form 1040 or 1040-SR, line 7):
f. Income from all other sources (From Form 1040 or 1040-SR, Schedule 1, line 10):
g. Dependents' total income from all sources:
4h. Total income from both applicant and spouse from all sources (Add lines 4a through 4g):

RENTER'S REFUND PROGRAM



RENTER'S REFUND QUALIFICATIONS

- Must be at least 65 years of age OR totally and permanently disabled to qualify.
- Must show proof of disability:
 - Signed physician's certificate or
 - Letter of disability determination from Social Security Administration or other federal or state agency authorized to certify individual's disability.
- If married and both eligible, only one spouse may apply.
- Income which does not exceed \$70,000, including income of spouse and any dependents.

RENTER'S REFUND

- Must file an application annually.
- The maximum refund is \$400.
- Applications are automatically mailed to those taxpayers who received a refund the previous year.
- If an applicant did not qualify for a refund the previous year, the applicant will **not** automatically receive an application by mail.
- Rent costs **do not** include heat, water, lights, telephone, or furniture costs.
- Mobile homeowners may qualify based upon lot rent paid.

RENTER'S REFUND CALCULATION

- 20% of the net rent paid is compared to 4% of the net income less qualifying medical expenses.
- Example:
 - 20% of annual net rent amount of \$5,400 = \$1,080
 - 4% of \$18,000 income less deductible medical expenses = \$720
 - $\$1,080 - \$720 = \$360$
 - Applicant will receive a \$360 refund check.
- Applications are mailed the third week of January and must be post marked by May 31st each year, unless that day falls on a weekend, then the due date is the next business day.
- Credits for ND Homeowners and Renters Guideline

[Credits for North Dakota Homeowners Renters Guideline \(nd.gov\)](https://nd.gov/ndtax/credits-for-north-dakota-homeowners-renters-guideline)

Certification of Rent Paid in 2023	
1. Amount of annual rent paid personally by applicant for 2023	
2. Utilities or items included in rent (see instructions on back of application)	
a. Heat (line 1 x .14)	
b. Water and garbage (line 1 x .02)	
c. Lights (line 1 x .06)	
d. Furniture and appliances (see instructions on back)	
e. Total (add lines a, b, c and d)	
3. Net rent paid (subtract line 2e from line 1)	
Total Income for Calendar Year 2023	
4. Applicant's and spouse's income from Social Security benefits (exclude Medicare)	
5. Applicant's and spouse's income from salary and wages	
6. Applicant's and spouse's income from interest	
7. Applicant's and spouse's income from other sources (S.S.I., net rental income, net income from business, capital gains, unemployment compensation, etc.)	
8. Dependent's income from all sources	
9. Total income from all sources (add lines 4, 5, 6, 7 and 8)	
10. Deductible medical expenses (see instructions)	
11. Total income less medical expenses (subtract line 10 from line 9)	
If the amount on line 11 exceeds \$70,000, you are not eligible for the credit.	
Refund Computation	
If you want the Office of State Tax Commissioner to compute your refund, do not complete this section	
12. Enter 20% of net rent paid (line 3 x .20)	
13. Enter 4% of total income less medical expenses (line 11 x .04)	
14. Amount of renter's credit (subtract line 13 from line 12). If line 13 is larger than line 12, you are not eligible for the credit	



DISABLED VETERANS

PROPERTY TAX CREDIT

The Disabled Veterans Credit is a property tax credit that is available to veterans of the United States Armed Forces with service-connected disability. It may reduce the taxable value of a residence and associated taxes due.



ELIGIBILITY

1. You must be a disabled veteran of the United States Armed Forces with an armed forces service-connected disability of 50% or greater in the year for which your application is made.
2. You must have received an honorable discharge or be retired from the United States Armed Forces.
3. You must reside on and have an interest in the property, as of the assessment date.

APPLY

Applicants will need to provide their DD214 and the determination of disability by the VA to your local assessor or county director of tax equalization.

To apply, submit the Application for Disabled Veterans Property Tax Credit to your local assessor. The applications can be found at www.tax.nd.gov/veterans.



ADDITIONAL INFORMATION

The following table shows how taxable values may reduce with the credit.

Disability Percentage	Maximum Reduction
100%	\$8,100
90%	\$7,290
80%	\$6,480
70%	\$5,670
60%	\$4,860
50%	\$4,050

To qualify, veterans must meet all eligibility requirements and file an application with the local assessor or county director of tax equalization, by February 1 in the year that the property is assessed and credit is requested.

To obtain disability and honorable discharge documentation, contact your Veterans Service Office or the United State Department of Veterans Affairs at 866-634-8387.

Office of State Tax Commissioner
600 E. Boulevard Ave. Dept. 127
Bismarck, N.D. 58505-0599
701-328-7088
tax.nd.gov

DISABLED VETERAN'S QUALIFICATIONS

- Be a disabled veteran of the United States Armed Forces with an armed forces service-connected disability of 50% or greater in the year for which the application is made.
- Have received an honorable discharge or be retired from the United States Armed Forces.
- Reside on and be invested in the property.

Disability Percentage	Maximum Reduction
100%	\$8,100
90%	\$7,290
80%	\$6,480
70%	\$5,670
60%	\$4,860
50%	\$4,050

DISABLED VETERAN'S APPLICATION PROCESS

- The application is due by March 31 of the year in which the property is assessed and for which the credit is requested.
- Include documentation regarding the applicant's service-connected disability and military honorable discharge with your application

Property Number:
Property Owner:
Property Address:

Legal Description

Is this property the applicant's homestead? Yes ☐ No ☐

Taxable valuation of
the homestead: \$ _____

Enter the percentage of the veteran's disability compensation rating or unemployability rating for service-connected disabilities as certified by the Department of Veterans Affairs for the purpose of applying for a property tax credit. _____%

The applicant is a: Disabled veteran ☐ Surviving spouse of a disabled veteran ☐
Surviving spouse receiving DVA dependency and indemnity compensation ☐
(100 percent credit)

Marital status: Married ☐ Single ☐

Which of the following would best describe the type of ownership of the homestead property (check only one):

- A. Is recorded in your (and spouse's) name as owner ☐ D. Is held under a life estate in property ☐
B. Is being purchased by you under a contract for deed ☐ E. Is held in a revokable trust ☐
C. Is held in joint tenancy with one other than spouse ☐

Credit Claimed Pursuant to North Dakota Century Code § 57-02-08.8
Instructions

Provide a copy of the DD Form 214 showing veteran's honorable discharge from active military service if claiming credit for first time. (This document is confidential.)

Provide a certificate from the Department of Veterans Affairs certifying to the percentage of service-connected disability or unemployability rating when claiming credit for the first time, or if the veteran receives a change in the percentage of certified rated service-connected disability. (This document is confidential.)

I make application for real property tax credit for the year _____ on the property described above and, in compliance with North Dakota Century Code (N.D.C.C.) § 57-02-14.1, certify the information is accurate to the best of my knowledge and belief.

Note: North Dakota Century Code § 12.1-11-02 provides that making a false statement in a governmental matter is punishable as a Class A misdemeanor.

Application is: Approved ☐ Disapproved ☐

Percentage approved _____ %

x Eligible Taxable value \$ _____

Taxable value of credit \$ _____

Applicant _____ Date _____

Assessor or Director of Tax Equalization _____ Date _____



Property Tax Credits

- Long-Term Revenue Impacts

Tax Commissioner Brian Kroshus

HOMESTEAD PROPERTY TAX CREDIT

- Long-term revenue impacts

Estimated Biennium Impact Per Plan	
3-Tier Rate Plan: 0%, 1.95%, and 2.5% (No Credit)	\$358,297,204
\$500 Primary Residence Credit (206,412 Owner Units) (Year 2 Only)	\$103,206,000
Homestead Property Credit (\$0-\$40K @ 100%, \$40K-\$70K @ 50%)	\$53,500,000
Total	\$515,003,204

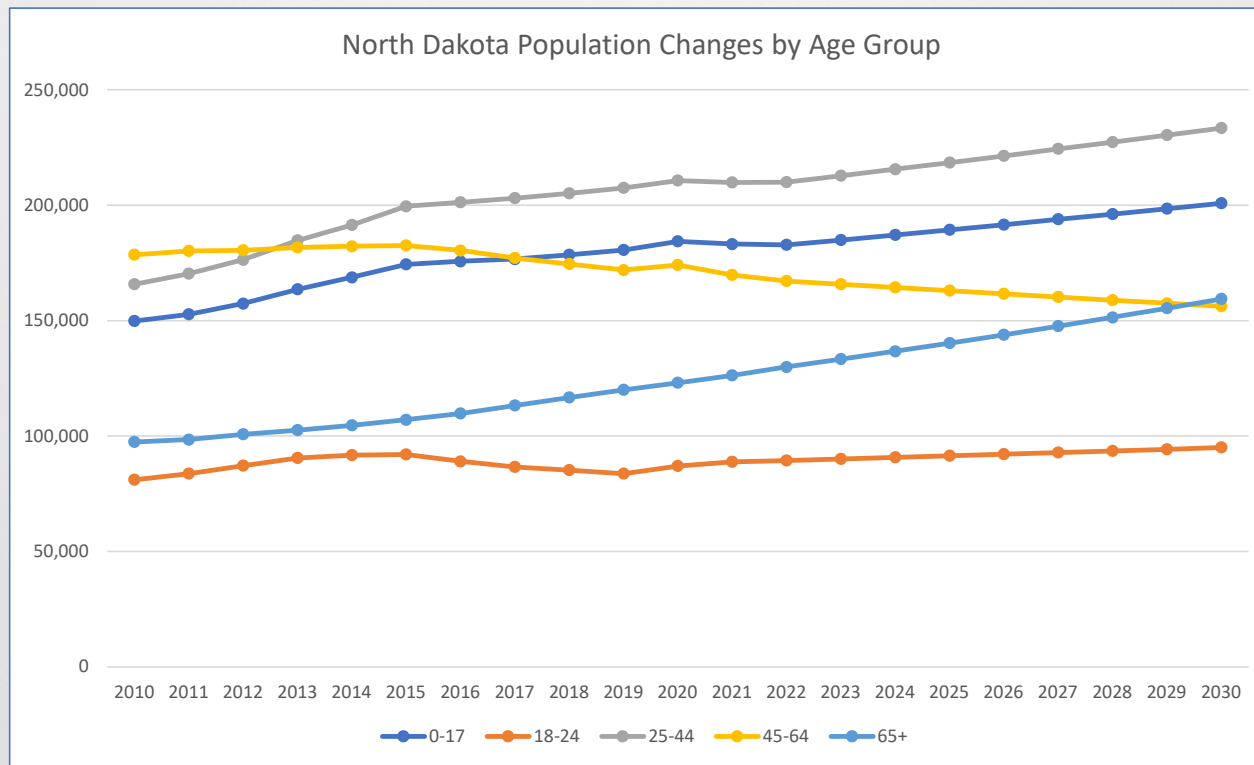
HB 1158 KEY CHANGES

- Removal of the asset test
 - Bracket Changes

Homestead Property Tax Credit									
Bracket Levels - Before HB 1158					Bracket Levels - After HB 1158				
Income Low	Income High	Reduction Percentage	Max Reduction of Taxable Value	Max Reduction of True and Full Value	Income Low	Income High	Reduction Percentage	Max Reduction of Taxable Value	Max Reduction of True and Full Value
\$0	\$22,000	100%	\$5,625	\$125,000	\$0	\$40,000	100%	\$9,000	\$200,000
\$22,001	\$26,000	80%	\$4,500	\$100,000	\$40,001	\$70,000	50%	\$4,500	\$100,000
\$26,001	\$30,000	60%	\$3,375	\$75,000					
\$30,001	\$34,000	40%	\$2,250	\$50,000					
\$34,001	\$38,000	20%	\$1,125	\$25,000					
\$38,001	\$42,000	10%	\$563	\$12,511					

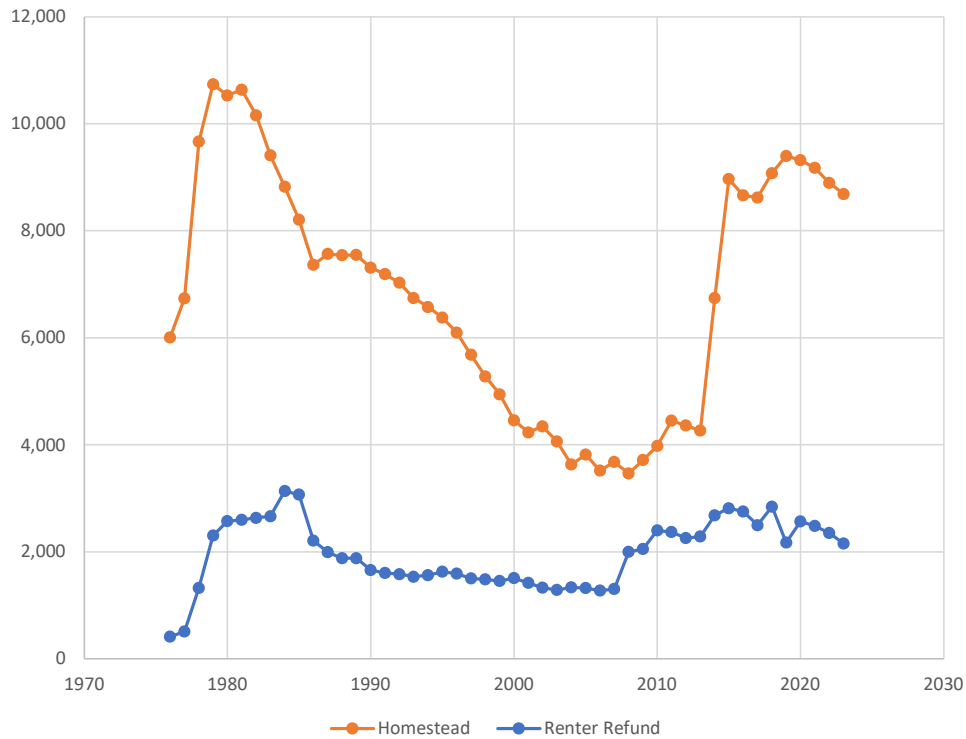
FUTURE ANALYSIS KEY DRIVERS

- Number of Households
- Population Changes

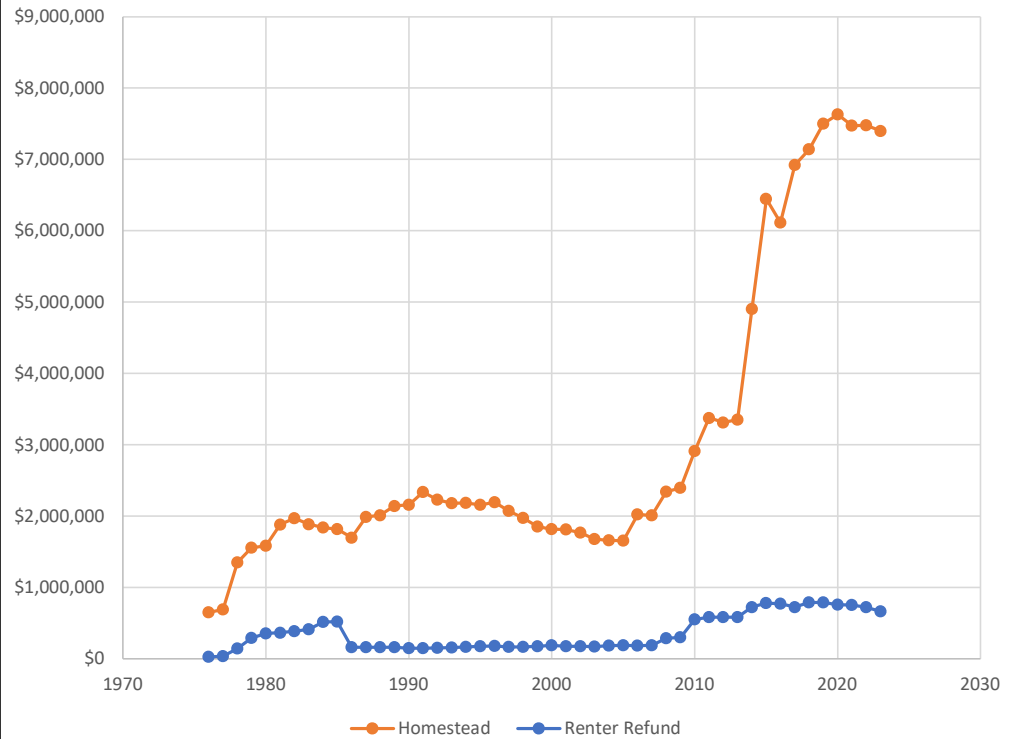


PAST ANALYSIS

Homestead and Renter Refund Property Tax Credits - Counts



Homestead and Renter Refund Property Tax Credits - Amounts



FUTURE ANALYSIS

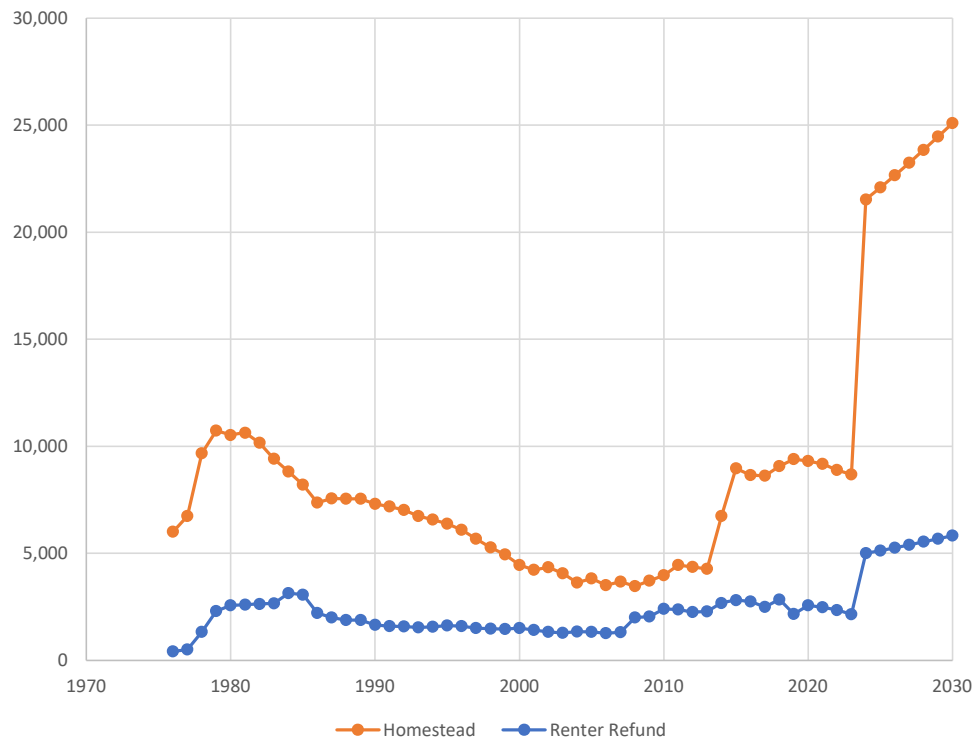
Estimated Biennium Totals

2023-2025: \$71.5 Million

2025-2027: \$77.1 Million

2027-2029: \$81.2 Million

Homestead and Renter Refund Property Tax Credits - Counts



Homestead and Renter Refund Property Tax Credits - Amounts

