



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #571

Homestead Tax Credit -- Current Law Credit Reestimate (Shared Revenue and Tax Relief -- Property Tax Credits)

[LFB 2017-19 Budget Summary: Page 412, #4]

CURRENT LAW

The adjusted base level funding for the homestead tax credit is \$101,200,000 GPR. In 2015-16, homestead tax credit claims totaled \$98,405,320.

GOVERNOR

Decrease funding by \$5,200,000 GPR in 2017-18 and \$6,200,000 GPR in 2018-19 for the sum sufficient appropriation to reflect anticipated costs of the current law credit in the biennium. With these adjustments, estimated total funding would decrease from the adjusted base level of \$101,200,000 to \$96,000,000 in 2017-18 and \$95,000,000 in 2018-19.

MODIFICATION

From the Governor's proposed funding level, decrease funding by \$1,000,000 GPR in 2017-18 and \$500,000 GPR in 2018-19 to reflect reduced expenditures for the current law credit associated with the anticipated changes in property taxes under the Governor's recommended 2017-19 budget. Reestimate the sum sufficient appropriation for the current law credit at \$95,000,000 GPR in 2017-18 and \$94,500,000 GPR in 2018-19.

Explanation: Relative to the amounts estimated under Assembly Bill 64/Senate Bill 30, the reestimated amounts for the current law credit are \$1,000,000 lower in 2017-18 and \$500,000 lower in 2018-19. Due to the proposed changes in property taxes in the biennium under the Governor's recommended budget, total credits in 2017-18 and 2018-19 are now projected to be less than the Governor's recommended funding levels, which will lower overall credit amounts compared to the adjusted base and the bill in 2017-18 and in 2018-19.

	Change to	
	Base	Bill
GPR	- \$12,900,000	- \$1,500,000

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