

2-4-21

Senate Revenue and Taxation Committee

Bill: 1st substitute SB 18, Property Tax Exemption Amendments

Sponsor: Sen. Harper

Floor Sponsor: Rep. Lisonbee

UASD Position: Oppose

This Bill: modifies the Property Tax Act.

Discussion: The sponsor asked for the 3rd substitute SB to be adopted. The definition of "qualifying revenue" is maintained in the language of the bill. The personal property tax exemption is \$25,000 in the 3rd substitute. The 3rd substitute changes what was a \$17.6 million fiscal note down to \$2.6 million on a property tax cut. The 3rd substitute will help nearly 40,000 small businesses from having to deal with personal property tax. The substitute bill adds intent language on lines 275-278. The 3rd substitute was adopted by the Committee. The sponsor said the counties asked for the deletion of lines 282-296 and 321-324 to clean up language in the bill. The Utah Association of Counties voiced support for the changes to this bill. The Utah Tax Payers Association said the changes in the 3rd substitute should cause a significant reduction in the fiscal note. The loss of local government income by giving the personal property tax exemption will account for .046% of total property tax income across the state.

Yeas: 8

Nays: 0

N/V: 1

Outcome: 3rd substitute SB18 passed out of committee with a favorable recommendation.

Bill: SB 26, Property Tax Relief Amendments

Sponsor: Sen. Davis

Floor Sponsor:

UASD Position: Tracking

This Bill: modifies provisions relating to the tax relief commonly known as "circuit breaker."

Discussion: The sponsor said the language in SB 26 is the same language as a bill that was drafted for the 2020 Legislative Session which increases the amount of income one can earn to be eligible for “circuit breaker”. The bill allows individuals with a child with a disability to not claim the Supplemental Security Income (SSI) as part of their income for tax purposes. There are also some changes for the counties in this bill to make sure there is uniformity across the state. Sen. Bramble expressed concern about giving a “circuit breaker” credit in the year the property is sold. The Utah Association of Counties and the Utah State Tax Commission were involved in creating a compromise that works for both stakeholders. The Tax Commission said the amount that is given in a “circuit breaker” will be a policy call by the legislature. The Tax Commission said the large issue here is counties are not applying “circuit breaker” tax uniformly. Sen. Bramble said he would work with the sponsor on the language involving the year the property is sold. AARP Utah supports this bill. Members of the public voiced their opposition to this bill. The Property Tax Administrator for Utah County supports this bill.

Yeas: 7

Nays: 1

N/V: 1

Outcome: Passed out of Committee with a favorable recommendation.