



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1100

PRINTER'S NO. 1362

PRIME SPONSOR: Samuelson

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
Lottery Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 1100, Printer's Number 1362 would expand the Property Tax/Rent Rebate program.

ANALYSIS:

This bill would amend the Taxpayer Relief Act to expand the eligibility requirements and benefits for the Property Tax/Rent Rebate. In particular:

- The income thresholds for homeowners and renters would be increased to \$45,000;
- The income thresholds for regular and supplemental rebates would grow with inflation annually; and
- The maximum rebate would be raised to \$1,000.

The legislation would also allow for rebates to be provided at any time after a claim has been filed and approved as opposed to waiting until July 1. These provisions would go into effect 60 days upon enactment and apply to claim year 2023 for the program.

The legislation would also require the Secretary of the Budget to provide an additional revenue certification for the Property Tax Relief Fund on June 15, 2023. This provision would take effect immediately.

FISCAL IMPACT:

This legislation would not impact commonwealth funds in 2022/23 and 2023/24; however, it would have sizeable impacts in the fiscal years thereafter. The provisions contained in the bill would apply to property taxes or rent in lieu of property taxes paid beginning in 2023, so the cost of the program expansion would not be realized until 2024/25 when individuals can make a rebate claim under these proposed program parameters.

This legislation would increase costs for the Property Tax/Rent Rebate program, which is paid out of the Lottery Fund, beginning in 2024/25. The Department of Revenue estimates that the total cost of the program with the proposed parameters will be \$333.8 million in 2024/25, an increase of \$136.2 million from the projected cost under current program parameters. The cost would further increase in subsequent years due to the annual increases of the income thresholds.

Department of Revenue Fiscal Impact Estimates for House Bill 1100: 2024/25 - 2027/28				
(\$ amounts in millions)				
	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>	<i>2027/28</i>
Total Cost of Program Under Current Parameters	\$197.6	\$192.6	\$187.7	\$182.9
Total Cost of Program Under Proposed Parameters	\$333.8	\$342.7	\$351.2	\$361.0
Fiscal Impact of Legislation	\$136.2	\$150.1	\$163.5	\$178.1

It should be noted that, under the Taxpayer Relief Act, gaming transfers to the Lottery Fund from the Property Tax Relief Fund are used to pay for costs associated with Property Tax/Rent Rebate program expansion.

In addition, there would be no adverse fiscal impact on commonwealth funds for the provision requiring the Secretary of the Budget to make an additional revenue certification for the Property Tax Relief Fund. These functions can be handled by existing staff in the Office of the Budget.

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House Appropriations Committee (D)

DATE: June 5, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.