

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1100

PRINTER NO. 1740

AMOUNT

See Fiscal Impact

FUND

Lottery Fund
Property Tax Relief Fund

DATE INTRODUCED

May 3, 2023

PRIME SPONSOR

Representative Samuelson

DESCRIPTION

House Bill 1100 amends the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, to expand the Property Tax and Rent Rebate Assistance (PTRR) Program.

The legislation amends section 1304 of the Taxpayer Relief Act by expanding the household income eligibility limits for both homeowners and renters. In addition, House Bill 1100 increases the rebate amount for both real property taxes and rent paid. The PTRR Program expansion will apply to property taxes and rent paid during calendar year 2023 and thereafter. The tables below delineate the expanded program schedules.

Property Tax Rebate Schedule

Current Household Income	Current Rebate	Expanded Household Income	Expanded Rebate
\$0 - \$8,000	\$650	\$0 - \$8,000	\$1,000
\$8,001 - \$15,000	\$500	\$8,001 - \$15,000	\$770
\$15,001 - \$18,000	\$300	\$15,001 - \$18,000	\$460
\$18,001 - \$35,000	\$250	\$18,001 - \$35,000	\$380
\$35,001 - \$45,000	\$0	\$35,001 - \$45,000	\$380

Rent Rebate Schedule

Current Household Income	Current Rebate	Expanded Household Income	Expanded Rebate
\$0 - \$8,000	\$650	\$0 - \$8,000	\$1,000
\$8,001 - \$15,000	\$500	\$8,001 - \$15,000	\$770
\$15,001 - \$18,000	\$0	\$15,001 - \$18,000	\$460
\$18,001 - \$45,000	\$0	\$18,001 - \$45,000	\$380

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House Bill 1100 indexes the PTRR household income eligibility limits to inflation by adjusting the limits annually for any increase to the percentage change in the Consumer Price Index for All Urban Consumers (CPI). If the CPI declines for a given period, the household income eligibility limit will remain unchanged for that year. The legislation maintains the existing \$30,000 supplemental income eligibility limit to qualify for the owner high burden or three-city supplement, which is up to 50% of the base rebate, and, under House Bill 1100, the supplemental income eligibility limit is also subject to the annual CPI adjustment.

House Bill 1100 repeals section 1305(e) which affected claims for property taxes or rent paid only in 2019 and claimed in 2020. This provision was previously added in response to the COVID-19 pandemic and is no longer necessary.

This act shall take effect in 60 days.

FISCAL IMPACT

House Bill 1100 will require additional payments from the Lottery Fund to pay for the PTRR Program expansion. Although payments are made from the Lottery Fund, gaming revenue deposited into the Property Tax Relief Fund will be transferred annually to the Lottery Fund to pay for the expanded program.

The projected cost of the current PTRR Program in FY 2024-25 is \$197.6 million and decreases by approximately \$5 million each year because the household income eligibility limits are not adjusted by CPI increases and do not keep pace with inflation.

The Department of Revenue provided the following information indicating the PTRR Program expansion will cost an additional \$136.2 million in FY 2024-25 and increase each year thereafter because of the annual CPI inflation adjustment. No cost is expected in FY 2023-24 because the program expansion is for property taxes and rent paid in calendar year 2023, and these claims will be paid in FY 2024-25.

OVERALL IMPACTS BY CLAIM AND FISCAL YEAR

CLAIM YEAR	2023	2024	2025	2026
FISCAL YEAR	2024-25	2025-26	2026-27	2027-28
TOTAL PROPOSAL FISCAL IMPACT (millions)	-\$136.2	-\$150.1	-\$163.5	-\$178.1
CLAIMANTS WITH REBATE INCREASES	397,811	397,811	397,811	397,811
NEW CLAIMANTS	150,577	158,301	165,905	172,578
TOTAL IMPACTED CLAIMANTS	548,388	556,112	563,716	570,389