

**FISCAL NOTE**  
**SENATE BILL NO. 2136**  
**LC# 23.0539.01000**  
**01/09/2023**

**1 - State Fiscal Effect**

*Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$9,700,000			
Appropriations						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

**3 - Bill and Fiscal Impact Summary**

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2136 expands the Homestead Property Tax Credit for individuals that are 65 years of age or older or for individuals with a permanent or total disability, effective for tax years after December 31, 2022.

**4 - Fiscal Impact Sections Detail**

*Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill will increase the maximum reduction of taxable valuation of the person's homestead. The increases outlined below represent a 60% increase over the current maximum reduction amounts.

If the person's income is less than or equal to \$22,000, then the maximum reduction increases from \$5625 to \$9,000.

If the person's income is greater than \$22,000 and less than or equal to \$26,000, then the maximum reduction increases from \$4,500 to \$7,200.

If the person's income is greater than \$26,000 and less than or equal to \$30,000, then the maximum reduction increases from \$3,375 to \$5,400.

If the person's income is greater than \$30,000 and less than or equal to \$34,000, then the maximum reduction increases from \$2,250 to \$3,600.

If the person's income is greater than \$34,000 and less than or equal to \$38,000, then the maximum reduction increases from \$1,125 to \$1,800.

If the person's income is greater than \$38,000, then the maximum reduction increases from \$563 to \$900.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If enacted, SB 2136 is expected to increase the cost of the homestead property tax credit program by \$9.7 million in the 2023-2025 biennium. The homestead property tax credit is reimbursed to the counties by the state. Enactment of this bill will require a corresponding increase in appropriations to the Office of State Tax Commissioner for the homestead property tax program.

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

## **Contact Information**

**Name:** Bryan Bittner

**Agency:** Tax Department

**Telephone:** 7013283402

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