

FISCAL NOTE

	FY 2024	FY 2025	FY 2026
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
GENERAL FUND	\$0	\$5,500,000	\$5,720,000

Source of expenditure increase:

Increased refunds from the property tax refund program

Assumptions:

It is assumed that increasing the gross income limit from three-fourths of the median gross household income to 125 percent of the median gross household income will increase the number of qualifying homeowner applicants from the 3,085 qualifying applicants in tax year 2021 to 5,000 qualifying homeowner applicants per year. Assuming an average refund of \$600, total refunds to homeowners are estimated at \$3,000,000 per year, an increase of approximately \$1.1 million per year over the total amount refunded for tax year 2021.

The Economic Analysis Division estimates that 35,175 renters could qualify for the \$250 refund. Based on the Department of Revenue's assumed utilization of 50 percent, the refunds issued to renters are estimated at approximately \$4.4 million per year.

The total FY 2025 expenditure increase is estimated at \$5.5 million (\$1.1 million + \$4.4 million).

A year over year increase of 4 percent is assumed.

The effective date of the bill is January 1, 2024. Therefore, it is assumed that expenditure increases from this bill would begin in FY 2025.

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