



**HB 658 As Amended in Senate Tax v. Kaufmann Amendment  
Cost and Revenue Differences**

Amendments HB065824.alh, requested by Sen. Kaufmann, would replace the elderly homeowner-renter credit, the property tax exemption for disabled veterans, and the property tax assistance program with a single income tax credit based on property taxes paid in excess of a certain percentage of income. The following table shows estimated credits for tax years 2009 through 2014 based on the homestead exemptions and tax rates in HB 658 as amended in the Senate Tax Committee.

**Kaufmann Amendment to HB658  
Income Tax Credits  
(\$ million)**

	Homeowners		Renters		Total		Average Credit
	N	\$	N	\$	N	\$	
2009	62,249	\$47.364	28,405	\$15.692	90,654	\$63.056	\$696
2010	62,560	\$48.899	28,405	\$15.692	90,966	\$64.591	\$710
2011	62,814	\$50.255	28,405	\$15.692	91,220	\$65.947	\$723
2012	61,827	\$50.147	28,405	\$15.692	90,232	\$65.839	\$730
2013	59,414	\$47.526	28,405	\$15.692	87,819	\$63.218	\$720

HB 658 retains the existing elderly homeowner-renter credit and property tax exemption for disabled veterans. It retains the property tax assistance program but makes changes to the Department of Revenue's process for implementing the program that are intended to increase participation. The following table shows state revenue impacts of these programs. The impact of the elderly homeowner-renter credit is the credits assumed in HJ2. The impacts of the property tax assistance program and the disabled veterans exemption are the estimates from the HB 658 fiscal note.

**State Cost of Programs Replaced by Income Tax Credit  
(\$ million)**

	Homeowner-Renter Credit	Cost to General Fund			Cost to University System		
		Property Tax Assistance Program	Disabled Veterans Exemption	Total	Property Tax Assistance Program	Disabled Veterans Exemption	Total
2009	\$9.318	\$1.800	\$0.317	\$11.435	\$0.100	\$0.020	\$0.119
2010	\$9.318	\$3.742	\$0.316	\$13.376	\$0.235	\$0.020	\$0.255
2011	\$9.318	\$4.590	\$0.315	\$14.223	\$0.304	\$0.020	\$0.324
2012	\$9.318	\$4.538	\$0.314	\$14.169	\$0.300	\$0.020	\$0.320
2013	\$9.318	\$4.421	\$0.314	\$14.054	\$0.293	\$0.020	\$0.313

The following table shows the differences in Department of Revenue costs between HB 658 with amendment HB065824.alh and HB 658 as amended in the Senate Tax Committee. The top half of the table shows the administrative costs of implementing the income tax credit in amendment HB065824.alh. The bottom half of the table shows the additional costs of the expanded property tax assistance program in HB 658 and the difference between the additional costs and the costs eliminated by amendment HB065824.alh.

**Kaufmann Amendment to HB658  
Changes to Department of Revenue Costs**

**Additional Costs of Implementing Kaufmann Amendment**

	FY 2010	FY 2011	FY 2012	FY 2013
Processing Credit Applications				
Personnel Costs	\$355,991	\$148,452	\$148,452	\$148,452
Operating costs	\$59,539	\$64,139	\$64,139	\$64,139
One-Time Costs	<u>\$45,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$461,130	\$212,591	\$212,591	\$212,591

**Costs of HB658 Eliminated by Kaufmann Amendment**

	FY 2010	FY 2011	FY 2012	FY 2013
Mailing PTAP applications	\$179,175	\$179,175	\$179,175	\$179,175
Processing PTAP Applications				
Personnel Costs	\$499,119	\$499,119	\$499,119	\$499,119
Operating costs	\$99,344	\$104,944	\$104,944	\$104,944
One-Time Costs	\$80,675	\$0	\$0	\$0
Total	<u>\$858,313</u>	<u>\$783,238</u>	<u>\$783,238</u>	<u>\$783,238</u>
<b>Difference</b>	<b>-\$397,183</b>	<b>-\$570,647</b>	<b>-\$570,647</b>	<b>-\$570,647</b>