

STATEMENT OF PURPOSE

RS30421 / S1111

This bill provides property tax relief to Idaho homeowners on their primary residence. The bill dedicates 4.5% of annual sales tax revenues to property tax relief, providing a subtraction from each homeowner's total property tax bill. For the year 2023, approximately \$205 million will be appropriated from the Fiscal Year 2023 General Fund surplus so this relief can begin in the first year of the bill's passage. In addition, this bill makes a change to the property tax reduction program (aka Circuit Breaker) by increasing the maximum value of a home that qualifies, and by raising applicant income limits so more low-income applicants qualify for the Circuit Breaker program. The bill includes a surplus eliminator provision to appropriate and transfer up to \$150 million per year in Fiscal Years 2023, 2024, and 2025 to the homeowner relief account.

FISCAL NOTE

This bill does not increase taxes. It appropriates funds from existing and ongoing state sales tax revenues to provide relief to homeowners. The fiscal impact to state revenues will be an amount ranging from approximately \$205 million to \$355 million in the first Fiscal Year (2023). In Fiscal Years 2024 and 2025, the impact will be approximately \$150 million to \$300 million. In subsequent Fiscal Years, the impact will be approximately \$150 million.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).