

Subject Senior Property Tax Credit

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Overview

Creates a property tax credit for homestead property owned by a person aged 65 or older. The credit would limit annual property tax increases to no more than eight percent of the amount paid in the prior year. Residential homesteads, certain community land trust property occupied as a homestead, and the portion of agricultural homesteads consisting of the house, garage, and immediately surrounding one acre of land are eligible for the credit. Property owners must own and occupy the property for at least one year before receiving the credit.

Summary

| Section | Description |
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| 1 | Senior credit. |
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Creates a property tax credit for homes owned by homeowners aged 65 and older who have owned and occupied their homestead for at least one year. The credit amount is equal to the amount of tax due on the property that exceeds 108 percent of the tax due in the previous year. If the property is an agricultural homestead, the credit is only applied to the portion of tax attributable to the house, garage, and immediately surrounding one acre of land.

Homeowners can apply for the credit in the calendar year that they first turn 65, provided that they have owned and occupied their home since at least January 2 of that year. In the case of a married couple, at least one spouse must be at least 65 and the other must be at least 62. Initial applications are due by December 15 to receive the credit in the following calendar year.

Properties deemed eligible for the credit will continue to receive the credit in subsequent years until (1) the property is sold or transferred, (2) the death of all qualifying homeowners, or (3) the property no longer qualifies as a homestead.

This section is effective beginning with assessment year 2026.

| Section | Description |
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| 2 | <p>Payment; school districts.</p> <p>Requires the Department of Revenue to certify the senior credit amounts to the Department of Education.</p> <p>This section is effective beginning with fiscal year 2028.</p> |
| 3 | <p>Computation of net property taxes.</p> <p>Adds the senior credit to the computation of net property taxes.</p> <p>This section is effective beginning with property taxes payable in 2027.</p> |
| 4 | <p>Notice of proposed property taxes.</p> <p>Adds the senior credit to the proposed property tax statement (TNT statement) that is sent out in the fall.</p> <p>This section is effective beginning with property taxes payable in 2027.</p> |
| 5 | <p>Contents of the tax statements.</p> <p>Adds the senior credit to the property tax statement.</p> <p>This section is effective beginning with property taxes payable in 2027.</p> |



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