



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #680

Homestead and Farmland Preservation Tax Credit Reestimates (Shared Revenue and Tax Relief -- Property Tax Credits)

[LFB 2003-05 Budget Summary: Pages 385 and 386, #1 and #2]

CURRENT LAW

The adjusted base level funding is \$94,600,000 GPR for the homestead tax credit and \$15,000,000 GPR for the farmland preservation tax credit.

GOVERNOR

Provide \$8,400,000 GPR in 2003-04 and \$5,400,000 GPR in 2004-05 for the homestead tax credit sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. With these adjustments, estimated total funding would be increased to \$103,000,000 GPR in 2003-04 and \$100,000,000 GPR in 2004-05.

Decrease funding by \$1,500,000 GPR in 2003-04 and \$1,100,000 GPR in 2004-05 for the farmland preservation tax credit sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. With these adjustments, estimated total funding would be decreased to \$13,500,000 GPR in 2003-04 and \$13,900,000 GPR in 2004-05.

MODIFICATION

Reestimate the sum sufficient appropriations at \$102,700,000 GPR in 2003-04 and \$101,100,000 GPR in 2003-04 for the homestead tax credit and at \$14,100,000 GPR in 2003-04 and \$14,900,000 GPR in 2004-05 for the farmland preservation tax credit.

Explanation: These reestimates of the homestead and farmland preservation tax credits primarily reflect an analysis of changes in claimant income in the biennium and the impact that the proposed shared revenue and school aid funding levels included under SB 44

would have on the amount of property taxes claimed in the biennium under these credit formulas. Compared to the bill, these reestimates reflect a decrease of \$300,000 GPR in 2003-04 and an increase of \$1,100,000 GPR in 2004-05 associated with the homestead tax relief credit and an increase of \$600,000 GPR in 2003-04 and \$1,000,000 GPR in 2004-05 associated with the farmland preservation tax relief credit.

<u>Modification</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$2,400,000

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