

Utah Property Tax Relief Programs

Current Utah statutes allow abatements for the property of low income persons, blind persons, and disabled veterans or their widows or minor orphans.¹ The Legislature has also authorized the payment of property taxes of certain individuals to be deferred. In 2006, approximately 35,813 taxpayers received property tax relief.² The following is a summary of current property tax relief programs.

Circuit Breaker Program -- The circuit breaker program provides credits to reduce the general tax burden of eligible homeowners and renters over a certain age.³ Eligibility and the amount of relief granted is determined on the basis of age and household income.⁴ To qualify for the circuit breaker program in 2007, an applicant had to be at least 65 years old with a 2006 income not to exceed \$26,941. For 2008, an applicant must be at least 66 years old with a 2007 income not to exceed approximately \$27,750.⁵

Another benefit of the circuit breaker program is an additional 20 percent decrease in the value of the eligible homeowners' primary residence for taxing purposes. The residence of a poor homeowner that qualifies for the circuit breaker program is assessed and taxed on 35 percent of the market value compared to 55 percent for the standard residential taxpayer.

In 2006, approximately 14,399 taxpayers qualified for and received assistance from the circuit breaker program.⁶ Recipients of the circuit breaker program currently make up approximately 40.2% of total taxpayers receiving assistance from all programs.

Property Tax Abatements or Deferrals -- Property tax abatements or deferrals are allowed at the discretion of the county legislative body.⁷ Age and income requirements may apply. In 2006,

¹ Utah Const. art. XIII, Sec. 3(2) and (3) (2008).

² 2006 Utah Property Tax Annual Statistical Report.

³ The claimant must be at least 65-67 years old, depending on the year in which the claimant was born.

⁴ See Utah Code Ann. §§ 59-2-1208 - 1209 (2007). The credit amount allowed for a homeowner may be between \$98 and \$798.

⁵ The estimated qualifying income of \$27,750 for the 2008 taxable year is an approximate amount and is based on an anticipated inflation rate of 3%.

⁶ 2006 Utah Property Tax Annual Statistical Report.

⁷ See Utah Code. Ann §§ 59-2-1107 to 1109 (2007). For 2007, an applicant for an abatement or deferral must be at least 65 years old with a 2006 income not to exceed \$26,941. Abatements and deferrals are also available to people less than 65 years old where the applicant can demonstrate a disability or extreme hardship.

approximately 7,762 taxpayers qualified for a property tax abatement or deferral due to their indigent status making up approximately 21.7% of total taxpayers receiving assistance from all programs.⁸

1. **Abatements** -- The abatement may be up to 50% of the property tax due on a person's home, to a maximum of \$798.⁹

2. **Deferrals** -- The county may defer any or all property taxes until a person's property is sold or ownership changes. Interest accrues annually on the deferred amount of taxes at a rate equal to the lesser of 6% or the targeted federal funds rate.¹⁰

Veteran's Exemption -- The veteran's exemption is available to veterans disabled in military service, and their unmarried surviving spouse or minor orphans. It is also available to the unmarried surviving spouse or minor orphan of a member of the military who was killed in action or died in the line of duty. For 2007, the exemption is up to \$214,263 of the taxable value of a residence, based on the percentage of disability incurred in the line of duty. The veteran's exemption may also be applied toward the payment of personal property taxes or uniform fees on items such as a car.¹¹

In 2006, approximately 12,072 taxpayers qualified for the veteran's exemption.¹² Recipients of the veteran's exemption currently make up approximately 33.7% of total taxpayers receiving assistance from all programs.

Blind Exemption -- The blind exemption is available to all legally blind property owners, and their unmarried surviving spouse or minor orphans, regardless of income or age. It exempts up to \$11,500 of the taxable value of real or personal property.¹³

In 2006, approximately 1,580 taxpayers qualified for the property tax exemption for the blind.¹⁴ Recipients of the blind exemption currently make up approximately 4.4% of total taxpayers receiving assistance from all programs.

⁸ 2006 Utah Property Tax Annual Statistical Report.

⁹ Utah Code Ann. § 59-2-1107 (2007).

¹⁰ Utah Code Ann. § 59-2-1108 (2007).

¹¹ See Utah Code. Ann §§ 59-2-1104 and 1105 (2007).

¹² 2006 Utah Property Tax Annual Statistical Report.

¹³ See Utah Code. Ann § 59-2-1106 (2007).

¹⁴ 2006 Utah Property Tax Annual Statistical Report.