

H.F. 2315

As amended by H2315A1

Subject Targeting property tax refund expanded

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Summary

Under current law, the additional property tax refund, generally referred to as “targeting,” directs property tax relief to homeowners who have large property tax increases from one year to the next. A homeowner qualifies if the property tax on the home has increased by more than 12% over the previous year’s tax and if the increase is over \$100. The refund is 60% of the increase above those thresholds. The maximum refund is \$1,000.

H.F. 2315 lowers the 12% increase threshold to 6%, meaning a taxpayer would be eligible for a targeting refund of the taxpayer’s property taxes increased by more than 6% (and the increase was over \$100). The bill also increases the maximum refund to \$2,500.

The example below shows the refund under current law, and under H.F. 2315.

	Current law	H.F. 2315
Last year’s property tax (payable 2023 property tax minus 2023 targeting refund)	\$1,600	\$1,600
This year’s property tax (payable 2024 property tax)	\$2,000	\$2,000
2024 tax increase (over 2023). Refund only available if this amount exceeds \$100.	\$400	\$400
Taxpayer pays the first 6%/12% of the increase compared to previous year’s tax (6%/12% x \$1,600)	\$192 (12%)	\$48 (6%)
Increase amount eligible for targeting refund (\$400 - \$192 = \$208)	\$208	\$352
Targeting refund amount (60% of increase in excess of 6%/12%, up to a \$1,000/\$2,500 maximum) or (60% x \$208, or 60% x \$352)	\$125	\$211