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S.F. No. 1631 – Property Tax Refund; Excluding Qualified Charitable Distributions from Definition of ‘Income’ (as proposed to be amended by A-1)

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SF 1631 excludes qualified charitable distributions, as defined under IRC Section 408(d)(8), from the definition of income used to determine eligibility for and the amount of the property tax refund. A ‘qualified charitable distribution’ is a direct transfer of funds from a retirement account or plan to a qualified charity.

Under current law, ‘income’ for purposes of the property tax refund is defined as a claimant’s federal adjusted gross income and the sum of other nontaxable income to the extent not included in federal adjusted gross income, including qualified charitable distributions.

Effective for refund claims based on property taxes payable in 2024 and rent paid in 2023 and thereafter.