

The 35% homeowner deduction provides too much relief to homeowners and does so at the expense of other taxpayers including farmers. All homeowners are now entitled to a \$45,000 deduction. An additional 35% deduction above that would be regressive because it would provide more relief for the owners of the most expensive homes in a community. Although we feel \$45,000 is already generous, it would be better to increase that amount than create a brand new deduction based on the property's value.

The proposed 1-2-3 circuit breaker is unfair in a number of ways and is dangerous for agricultural property. Basically, the proposal is: (1) property taxes on owner occupied residential property could not exceed 1% of the property's assessed value; (2) property taxes on rental residential property could not exceed 2% of the property's assessed value; and (3) property taxes on all other property, including farm ground and equipment could not exceed 3% of the property's assessed value. While this does establish caps on all taxes, it's a long way between 1% and 3% and there is no justification for this differential. The 1% cap for homeowners is poor public policy because it provides the most relief for the property that demands the most in public services.

When contacting your Representative please ask them to do the following:

1. Remove the proposed new 35% homeowner deduction from the bill
2. Remove the three-tiered "circuit breaker" based on assessed value