

# State and Local Real Property Tax Deductions - By Jurisdiction

## Executive Summary

### STATE AND LOCAL REAL PROPERTY TAX DEDUCTIONS

#### ANNUAL REPORT EXECUTIVE SUMMARY

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[State and Local Real Property Tax Deductions – 2019 Short Answer Table](#)

#### *Overview*

Of the 45 jurisdictions that have a personal income tax, 13 jurisdictions do not recognize a real property tax deduction for individuals. (Kentucky and Vermont revised their tax laws effective in 2018 so that they no longer permit a deduction for property taxes.) Many of the remaining jurisdictions allow a copy-over of the deduction amount (including real property taxes) from the taxpayer's federal return to their state return without modification or exceptions, but at least 12 jurisdictions require adjustments of the amount copied over to the state return or use that amount as a credit. Only four states have state-specific real property tax deductions that do not look to the amount of the federal itemized deduction when calculating their deduction (although Arkansas also starts with a state-specific number).

#### *Modifications and Exceptions*

The states that modify the amount or use of the federal real property tax deduction do so in several different ways. For example, Utah and Wisconsin use the federal deduction amount in calculating a credit against the individual's income tax liability rather than as a deduction from adjusted gross income. Delaware, Minnesota, and New York cap or reduce by a percentage the total amount of itemized deductions, thereby proportionately reducing the real property tax deduction in some circumstances.

Twenty jurisdictions allow a real property tax credit or rebate to be applied against their state income taxes. For example, in Connecticut, taxpayers receive a \$500 income tax credit against property taxes paid on primary residences or motor vehicles. New Jersey offers either an income tax deduction or credit based on their real property taxes. Note that the only property tax credits that this report addresses are those that taxpayers may claim against their income taxes.

### *2017 Federal Tax Cuts and Jobs Act*

On December 22, 2017, President Trump signed the Federal Tax Cuts and Jobs Act (TCJA) into law. Among numerous other amendments, the TCJA revised the deduction permitted on federal tax returns for state and local taxes, including property taxes. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (or \$5,000 for a married individual filing a separate return). Therefore, state tax returns may reflect that limit if the state uses federal taxable income as its starting point (so property tax deductions have already been applied) or if the state uses the federal "state and local tax" deduction amount (which includes property taxes) on the state return. However, to avoid the effects of the TCJA, some of those states have explicitly excluded the TCJA revisions or use an earlier version of the Internal Revenue Code (IRC) that predates the TCJA.

The property tax deduction in the following states *is not limited* by the TCJA:

- California adopted or apply a version of the IRC that predates the TCJA's enactment on December 22, 2017, so that the \$10,000 limit (or \$5,000, if applicable) *does not reduce* the property tax deduction on the states' returns; and
- Hawaii, Iowa, Kansas, Maine, and New York explicitly excluded or do not use the \$10,000 (or \$5,000) limit that is set forth in 26 U.S.C. § 164(b)(6) so that the limit *does not reduce* the property tax deduction on the states' tax returns.

The property tax deduction in the following states *may be limited* by the "state and local tax" deduction cap enacted by the TCJA:

- in Arizona, Delaware, District of Columbia, Georgia, Guam, Maryland, Mississippi, Missouri, Montana, New Mexico, North Carolina, Oklahoma, and Virgin Islands, state and local taxes, including property taxes, *are limited* to \$10,000 (or \$5,000) because the jurisdictions' laws either apply 26 U.S.C. § 164 or use the general federal deduction and the IRC conformity date is on or after December 22, 2017; and
- in Colorado, Idaho, North Dakota, Oregon, and South Carolina, state and local taxes, including property taxes, *are limited* to \$10,000 (or \$5,000) because the states' tax calculations start with federal taxable income and the IRC conformity date is on or after December 22, 2017.

In the following states, possibly conflicting provisions or positions were located:

- the Alabama Department of Revenue states that, regarding the limit on the itemized deduction for combined state and local taxes (including property taxes), the state is *not* "Tied to Federal," but state law contains a reference to 26 U.S.C. § 164 and the state conforms to the current IRC, so the \$10,000 limit should apply;
- the Nebraska Legislature amended § 49-801.01 to provide that "any reference to the Internal Revenue Code refers to the Internal Revenue Code of 1986 as it exists on April 12, 2018," except "as provided by" sections 77-2714 to 77-27,123, but § 77-2716.01(4) clearly "provides" that the IRC "as amended" determines itemized deductions; secondary sources indicate that the \$10,000 limit will apply, but that the bill compensates for lost itemized deductions by increasing the standard deduction; and
- Puerto Rico law does not list a specific deduction for real property taxes, but, on December 10, 2018, Puerto Rico's governor signed an act into law that makes significant changes to the Puerto Rico Internal Revenue Code of 2011. Text of the act is not readily available at the time of this update, and, although research into earlier versions of the bill located no reference to property tax deductions, the legislation is broad and could contain provisions that affect an individual's deductions.

In 2019, Virginia clarified that the federal limitation on itemized deduction of local and state taxes does not apply in calculating Virginia taxable income.

## State-Specific Deductions

The effects of state-specific real property tax deductions are both more and less favorable than the federal deduction. For example, Louisiana's tax law places limits on deductions that do not apply to the federal deduction.

### Alabama

#### Alabama, Exceptions and Notes

Alabama's real property tax deduction parallels the federal provision. The state allows a deduction for state, local, and foreign real property taxes to the extent the taxes are deductible for federal income tax purposes as provided by [26 U.S.C. § 164](#).

Alabama law provides that the term "26 U.S.C." means the Internal Revenue Code, "as in effect from time to time." Pursuant to 26 U.S. Code § 164(b)(6), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, subject to the \$10,000 cap.

Note that in its *Analysis of Federal Tax Law Revisions on the State of Alabama: Executive Summary Pending Any State Law Changes*, the Alabama Department of Revenue addressed the existing ties between the federal Tax Cuts & Jobs Act provisions and the Alabama tax code. The document states that regarding the limit on the itemized deduction for combined state and local taxes (including property taxes), the state is *not* "Tied to Federal." However, Ala. Code § 40-18-15 still contains the reference to 26 U.S.C. § 164, so the \$10,000 limit apparently applies. Once published, the 2018 tax forms should clarify this possible discrepancy.

Section 40-18-1.1 amended 1990; § 40-18-15 amended 2018.

[Ala. Code § 40-18-15\(a\)\(3\), -1.1 \(2018\)](#); [Ala. Dep't of Rev., \*Analysis of Federal Tax Law Revisions on the State of Alabama: Executive Summary Pending Any State Law Changes\* \(July 30, 2018\), at 4.](#)

#### Alabama, Federal Deductions

Alabama's real property tax deduction parallels the federal provision. (See [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)). Alabama law provides that the term "26 U.S.C." means the Internal Revenue Code, "as in effect from time to time." Pursuant to 26 U.S. Code § 164(b)(6), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction *may* include a real property tax deduction, subject to the \$10,000 cap.

Note that in its *Analysis of Federal Tax Law Revisions on the State of Alabama: Executive Summary Pending Any State Law Changes*, the Alabama Department of Revenue addressed the existing ties between the relevant federal Tax Cuts & Jobs Act provisions and the Alabama tax code. The document states that regarding the limit on the itemized deduction for combined state and local taxes (including property taxes), the state is *not* "Tied to Federal." However, Ala. Code § 40-18-15 still contains the reference to 26 U.S.C. § 164, so the \$10,000 limit apparently applies. Once published, the 2018 tax forms should clarify this possible discrepancy.

Section 40-18-1.1 amended 1990; § 40-18-15 amended 2018.

[Ala. Code § 40-18-15\(a\)\(3\), -1.1 \(2018\)](#); [Ala. Dep't of Rev., \*Analysis of Federal Tax Law Revisions on the State of Alabama: Executive Summary Pending Any State Law Changes\* \(July 30, 2018\), at 4.](#)

## Alabama, State-Specific Deductions

There is no state-specific real property tax deduction.

## Alaska

### Alaska, Exceptions and Notes

Alaska does not have an individual state income tax. See [Alaska Dep't of Revenue, Tax Div., \*Personal Income News\*](#) (last visited Nov. 28, 2019).

### Alaska, Federal Deductions

Alaska does not have an individual state income tax. See [Alaska Dep't of Revenue, Tax Div., \*Personal Income News\*](#) (last visited Nov. 28, 2019).

## Alaska, State-Specific Deductions

Alaska does not have an individual state income tax. See [Alaska Dep't of Revenue, Tax Div., Personal Income News](#) (last visited Nov. 28, 2019).

## Arizona

### Arizona, Exceptions and Notes

Arizona income tax laws adopt the federal deduction for real property taxes (see [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)) as it was in effect on January 1, 2019, subject to the federal overall limits on itemized deductions.

Note that for taxable years beginning from and after December 31, 2018, "Internal Revenue Code" means the U.S Internal Revenue Code of 1986, "as amended, in effect on January 1, 2019, including those provisions that became effective during 2018 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2019." Therefore, the state did adopt the federal Tax Cuts & Jobs Act limit of \$10,000 (\$5,000 for a married individual filing a separate return) on the total of state and local taxes that is currently contained in 26 U.S. Code § 164(b)(6).

Sections amended 2019.

[Ariz. Rev. Stat. §§ 43-105\(A\), -1042\(A\) \(2019\)](#)

### Arizona, Federal Deductions

Arizona income tax laws adopt the federal deduction for real property taxes (see [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)) as it was in effect on January 1, 2019, subject to the federal overall limits on itemized deductions.

Note that for taxable years beginning after December 31, 2018, Arizona defines "Internal Revenue Code" as the Code in effect on January 1, 2019. Therefore, the state did adopt the federal Tax Cuts & Jobs Act limit of \$10,000 (\$5,000 for a married individual filing a separate return) on the total of state and local taxes that is currently contained in 26 U.S.C. § 164(b)(6).

Sections amended 2018.

[Ariz. Rev. Stat. §§ 43-105\(A\), -1042 \(2019\)](#)

## Arizona, State-Specific Deductions

There is no state-specific real property tax deduction.

## Arkansas

### Arkansas, Exceptions and Notes

In computing net income, Arkansas allows a deduction for taxes paid or accrued within an income year. This deduction includes taxes imposed by the United States, any of its possessions, any state or territory, any political subdivision of a state or territory, the District of Columbia, or any foreign country. The deduction does not include taxes "assessed for local benefits of a kind tending to increase the value of the property assessed for those benefits."

Arkansas explicitly adopts the overall limitation on itemized deductions set forth in [26 U.S.C. § 68](#), as in effect on January 1, 2011.

Section 26-51-416 amended 1987; § 26-51-436 amended 2019.

Ark. Code §§ 26-51-416, -436 (LexisNexis 2019)

### Arkansas, Federal Deductions

In computing net income, Arkansas allows a deduction for taxes paid or accrued within an income year. Although the state deduction does not reference the federal Internal Revenue Code, the state deduction is similar to the federal deduction. It includes federal, state, local, and foreign taxes, but it does not include taxes "assessed for local benefits of a kind tending to increase the value of the property assessed for those benefits." Arkansas also explicitly adopts the overall limitation on itemized deductions set forth in [26 U.S.C. § 68](#), as in effect on January 1, 2011.

Section 26-51-416 amended 1987; § 26-51-436 amended 2019.

Ark. Code §§ 26-51-416, -436 (LexisNexis 2019)

## Arkansas, State-Specific Deductions

In computing net income, Arkansas allows a deduction for taxes paid or accrued within an income year. The deduction includes federal, state, local, and foreign taxes, but it does not include taxes "assessed for local benefits of a kind tending to increase the value of the property assessed for those benefits."

Although the original amount is state-specific, Arkansas also explicitly adopts the overall limitation on itemized deductions set forth in [26 U.S.C. § 68](#), as in effect on January 1, 2011.

Section 26-51-416 amended 1987; § 26-51-436 amended 2019.

Ark. Code §§ 26-51-416, -436 (LexisNexis 2019)

## California

### California, Exceptions and Notes

#### *Overview*

California income tax laws adopt the federal deduction for real property taxes (see [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)) as it was in effect on January 1, 2015, with two exceptions: (1) deductions by taxpayers who have failed to provide specified information, and (2) deductions for property taxes related to substandard housing.

Note that for taxable years beginning on or after January 1, 2015, California defines "Internal Revenue Code" as the Code in effect on January 1, 2015. Therefore, the state did *not* adopt the federal Tax Cuts & Jobs Act limit of \$10,000 (\$5,000 for a married individual filing a separate return) on the total of state and local taxes that is contained in the current version of 26 U.S. Code § 164(b)(6).

*Failure to provide required information (§ 17299.9)*

California law does not allow a property tax deduction if the taxpayer has either failed to provide the information required by Cal. Rev. & Tax § 18642, or has provided information that is false, misleading, or incomplete. This exception applies for the period beginning 60 days after the due date for filing the required information and ending on the date the Franchise Tax Board determines that the taxpayer has complied with the reporting requirements. If the noncompliance period does not cover an entire taxable year, the deductions are denied at the rate of one-twelfth for each full month during the noncompliance period.

#### *Substandard housing (§ 17274)*

Generally, no deduction is allowed for taxes paid on substandard housing located in California. "Substandard housing" means "occupied dwellings from which the taxpayer derives rental income or unoccupied or abandoned dwellings" for which the following two conditions apply:

- first, either:
  - for occupied dwellings from which the taxpayer receives rental income, a state or local government regulatory agency has determined that the housing violates "state law or local codes regarding health, safety, or building"; or
  - for dwellings that are unoccupied or abandoned for at least 90 days, a state or local government regulatory agency has cited the housing for "conditions that constitute a serious violation of state law or local codes dealing with health, safety, or building, and that constitute a threat to public health and safety"; and
  
- second, either:
  - after the regulatory agency's written notice of a violation that specifies the applicability of Cal. Rev. & Tax Code § 17274, the housing has not been brought into compliance within six months after the later of (a) the notice date, or (b) the time set forth in the notice; or
  - the regulatory agency has determined that good-faith efforts for compliance have not started.

"Substandard housing" also includes employee housing that has not been brought into compliance with the conditions stated in a written notice of violation of the state's Employee Housing Act within 30 days of the notice or of the compliance date set forth in the notice.

If the noncompliance period does not cover an entire taxable year, the deductions are denied at the rate of one-twelfth for each full month during the noncompliance period.

A regulatory agency may not mail a notice of noncompliance to the Franchise Tax Board if:

- the housing was rendered substandard solely because of an earthquake, flood, or other natural disaster, unless the condition remains for more than three years after the disaster;
- the substandard housing's owner has secured financing to bring the housing into compliance with laws or codes that have been violated and has started repairs or other work necessary to bring the housing into compliance; or
- the owner of substandard housing that is not within the meaning of "housing accommodation" has attempted to secure financing to bring the housing into compliance, but has been denied financing solely because the housing is located in a neighborhood or geographical area in which financial institutions do not provide financing to rehabilitate that housing type.

This exception does not apply to deductions from income derived from property rendered substandard solely because of a change in applicable state or local housing standards, unless a regulatory agency has determined that the violations cause substantial danger to the property's occupants.

*Other provisions (r. 24345-2)*

Taxes or assessments levied by an irrigation or other water district are deductible if they are levied at a uniform rate on all property within the district.

Special assessments such as flood control district assessments are not deductible, even if an incidental benefit may inure to the public welfare.

Statutory section 17299.9 amended 1993; § 17201 enacted 1993; § 17274 amended 1999; § 17024.5 amended 2015. Regulation 24345-2 amended 1982.

[Cal. Rev. & Tax Code §§ 17024.5, 17201, 17274, 17299.9 \(2019\); Cal. Code Regs. tit. 18, § 24345-2 \(2019\)](#)

## California, Federal Deductions

California income tax law adopts the federal deduction for real property taxes (see [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)) with two exceptions: (1) deductions by taxpayers who have failed to provide specified information, and (2) deductions for property taxes related to substandard housing. (See **Exceptions and Notes** for details regarding these exceptions.) Therefore, the allowable deduction amount should generally be the same on federal and state tax returns.

Note that for taxable years beginning on or after January 1, 2015, California defines "Internal Revenue Code" as the Code in effect on January 1, 2015. Therefore, the state did *not* adopt the federal Tax Cuts & Jobs Act limit of \$10,000 (\$5,000 for a married individual filing a separate return) on the total of state and local taxes the is contained in the current version of 26 U.S. Code § 164(b)(6).

As with the federal deduction, taxes paid for local benefits, such as street, sidewalk, and other similar improvements, imposed to benefit the property do not constitute an allowable deduction from gross income. A tax is considered assessed against local benefits if the property subject to the tax is limited to the property benefited. Assessments against local benefits that are made to maintain or repair property are deductible.

Statutory section 17299.9 amended 1993; § 17201 enacted 1993; § 17274 amended 1999; § 17024.5 amended 2015. Regulation 24345-2 amended 1982. California Public Service Bulletin updated 2018.

[Cal. Rev. & Tax Code §§ 17024.5, 17201, 17274, 17299.9 \(2019\)](#); [Cal. Code Regs. tit. 18, § 24345-2 \(2019\)](#)

## California, State-Specific Deductions

There is no state-specific real property tax deduction.

## Colorado

### Colorado, Exceptions and Notes

Colorado income tax is imposed on the taxpayer's federal taxable income (as modified), which is generally his or her income after taking itemized deductions. See [26 U.S.C. § 63](#) (defining "taxable income" as calculated after subtracting all federal itemized deductions).

Colorado defines "Internal revenue code" as the laws related to federal income taxes "as the same may become effective at any time or from time to time, for the taxable year." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

Section 39-22-103 amended 2002; § 39-22-104 amended 2019.

Colo. Rev. Stat. §§ 39-22-103, -104 (2019)

### Colorado, Federal Deductions

Colorado allows individual taxpayers to claim the same itemized real property tax deduction for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

Colorado defines "Internal revenue code" as the laws related to federal income taxes "as the same may become effective at any time or from time to time, for the taxable year." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, subject to the \$10,000 cap.

Section 39-22-103 amended 2002; § 39-22-104 amended 2019.

Colo. Rev. Stat. §§ 39-22-103, -104 (2019)

## Colorado, State-Specific Deductions

There is no state-specific real property tax deduction.

## Connecticut

### Connecticut, Exceptions and Notes

#### *Overview*

Connecticut law defines "Connecticut taxable income of a resident" as the Connecticut adjusted gross income with respect to any taxable year, reduced by the amount of the allowed exemptions, but not itemized deductions. (None of the allowed exemptions involves real property taxes.) "Adjusted gross income" is the same for state as for federal income tax purposes, as properly reported on the taxpayer's federal income tax return. Accordingly, Connecticut does not allow itemized deductions at all.

However, the state permits certain taxpayers to claim an income tax *credit* for property taxes paid, as described below.

#### *Income tax credit (§ 12-704c)*

Although Connecticut does not permit a taxpayer to deduct real property taxes from his or her income for state tax purposes, certain taxpayers may claim an income tax *credit* for taxes paid on their primary residence or motor vehicles. More specifically, a Connecticut resident subject to the state's income tax for any taxable year is entitled to a credit for all or a portion of the amount of his or her tax "first becoming due and actually paid during such taxable year by such person on such person's primary residence or motor vehicle."

For the taxable years commencing January 1, 2017, to January 1, 2020, inclusive, the credit shall be allowed only for a Connecticut resident (a) who has attained age 65 before the close of the applicable taxable year, or (b) who files a return under the federal income tax for the applicable taxable year validly claiming one or more dependents.

The allowable credit generally may not exceed \$200 for taxable years beginning on or after January 1, 2016.

For taxable years beginning on or after January 1, 2016, for a taxpayer who files his or her federal income tax as an unmarried individual and whose Connecticut adjusted gross income exceeds \$49,500, the credit amount is reduced by 15 percent for each \$10,000 (or fraction thereof) by which the taxpayer's Connecticut adjusted gross income exceeds that amount.

Also, effective June 30, 2015,

- for a taxpayer who files a federal return as a married individual filing separately and whose Connecticut adjusted gross income exceeds \$35,250, the credit amount is reduced by 15 percent for each \$5,000 (or fraction thereof) by which the taxpayer's Connecticut adjusted gross income exceeds that amount;
- for a taxpayer who files a federal return as a head of household and whose Connecticut adjusted gross income exceeds \$54,500, the credit amount is reduced by 15 percent for each \$10,000 (or fraction thereof) by which the taxpayer's Connecticut adjusted gross income exceeds that amount; and

- for taxpayers who file a federal return as married individuals filing jointly and whose Connecticut adjusted gross income exceeds \$75,500, the credit amount is reduced by 15 percent for each \$10,000 (or fraction thereof) by which the taxpayer's Connecticut adjusted gross income exceeds that amount.

The credit may be used only to reduce the taxpayer's tax liability for the year for which the credit is applicable, and it may not be used to reduce a person's tax liability to less than zero.

Notwithstanding the above provisions, for taxable years commencing on or after January 1, 2021, for any taxpayer who paid the conveyance tax on real property at the rate prescribed by §12-494(b)(2)(C)(ii), the credit allowed under § 12-704c not exceed 33.33 percent of the amount of the conveyance tax paid at such rate, in each of the three taxable years next succeeding the second taxable year after the taxable year in which such conveyance tax was paid. For any taxable year such taxpayer claims this credit or portion thereof, such credit is in lieu of any credit such taxpayer may be eligible to claim under § 12-704c.

In this context, "property tax" means the tax amount exclusive of any interest, fees, or charges for which a taxpayer is liable. For a husband and wife who file a federal return as married individuals filing a joint return, the term means the amount for which the husband or wife or both are liable. A property tax "first becomes due" as follows:

- if due and payable in a single installment, on the date the municipality's legislative body designated as the date on which the installment is due and payable; and
- if due and payable in two or more installments, on the date the municipality's legislative body designated as the date on which the installment is due and payable or, at the taxpayer's election, on the date the legislative body designated as "the date on which any earlier installment of such tax shall be due and payable."

Sections amended 2019.

[Conn. Gen. Stat. §§ 12-701\(a\)\(8\), \(19\), \(20\); -704c](#) (both sections as amended by [2019 Conn. Pub. Act 19-117, §§ 332, 335](#))

## Connecticut, Federal Deductions

Connecticut tax law does not allow for a property tax deduction. Connecticut law defines "Connecticut taxable income of a resident" as the Connecticut adjusted gross income, which is the same for state as for federal income tax purposes. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before the itemized deduction for real property taxes is subtracted.

Sections amended 2019.

[Conn. Gen. Stat. §§ 12-701\(a\)\(8\), \(19\), \(20\); -704c](#) (both sections as amended by [2019 Conn. Pub. Act 19-117, §§ 332, 335](#))

## Connecticut, State-Specific Deductions

There is no state-specific real property tax deduction.

## Delaware

### Delaware, Exceptions and Notes

A Delaware resident may deduct the same itemized deductions claimed on his or her federal income tax return as permitted under the Internal Revenue Code in effect for that tax year. If the taxpayer does not itemize deductions on the federal return, he or she may deduct the same deductions to which the person would have been entitled had the person itemized deductions on the federal return.

Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

The Delaware House of Representative introduced [H.B. 389](#) in 2018, which would have allowed a resident individual to deduct 100 percent of real property taxes paid notwithstanding the federal law limiting the deduction on a federal income tax return, but the bill did not pass into law.

Section 1105 amended 1998; § 1109 amended 2018.

[Del. Code tit. 30, §§ 1105, 1109 \(2019\)](#); see [Del. Div. Rev., Tech. Info. Memo, 2019-1 \(Feb. 26, 2019\)](#)

## Delaware, Federal Deductions

The federal property tax deduction may be taken in Delaware, whether or not the taxpayer itemized deductions on the federal return.

Note that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Section 1105 amended 1998; § 1109 amended 2018.

[Del. Code tit. 30, §§ 1105, 1109 \(2019\)](#)

## Delaware, State-Specific Deductions

There is no state-specific real property tax deduction.

## District of Columbia

### District Of Columbia, Exceptions and Notes

*Overview (§§ 47-1801.04, .03(a)(3), (b-4))*

District of Columbia taxpayers may take a real property tax deduction comparable to the federal deduction. Generally, all taxes paid or accrued during the taxable year that are deductible under [26 U.S.C. § 164](#) (except income or D.C. franchise taxes) are deductible. However, a limit is placed on the overall deduction for high-earning taxpayers. See **State-Specific Deductions** for details regarding this limit.

The District of Columbia defines "Internal Revenue Code of 1986" as including the provisions that "apply on the same dates that they are effective for federal tax purposes." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

A taxpayer may also qualify for the property tax-related *credits* against his or her D.C. income tax, as described below.

*Homeowner's property tax credit for eligible residents (§§ 47-1806.09, .09a)*

An eligible resident is allowed a *credit* against his or her income tax, computed as follows: the amount of the real property tax imposed on an eligible residence during the real property tax year ending in the tax year for which the credit is allowed, less 105 percent of the real property tax imposed on the eligible residence during the prior real property tax year.

"Eligible resident" means a resident who:

- either (a) owns an eligible residence as his principal residence and has resided there for at least seven consecutive years, or (b) is a shareholder or member of a cooperative housing association and meets other qualifications, including residing in

the eligible residence as his or her principal residence for at least seven consecutive years; and

- has a household income equal to or less than 50 percent of the area's median income.

*Property tax credit (§ 47-1806.06)*

For purposes of providing relief to certain District of Columbia residents who own their principal place of residence and reside in that residence, an income tax credit is allowed to an eligible claimant. The credit is equal to the amount by which all or a portion of the real property taxes the taxpayer pays on his or her principal place of residence for the taxable year exceeds a percentage of his or her household gross income for that year. The credit may not exceed a total of \$1,200.

For taxable years beginning after December 31, 2018, the percentage required for all claimants other than eligible senior claimants is as follows:

- if the adjusted gross income is \$0–\$24,999, the tax credit equals 100 percent of the property tax exceeding three percent of the adjusted gross income;
- if the adjusted gross income is \$25,000–\$51,999, the tax credit equals 100 percent of the property tax exceeding four percent of the tax filing unit's adjusted gross income; and
- if the adjusted gross income is \$52,000–\$55,000, the tax credit equals 100 percent of the property tax exceeding five percent of the tax filing unit's adjusted gross income.

For the taxable year beginning January 1, 2019, these percentages for eligible *senior* claimants are 100 percent of property tax exceeding three percent of the tax filing unit's adjusted gross income. An "eligible senior claimant" is a claimant who is:

- 70 years or older at any time during the tax year; and
- whose adjusted gross income does not exceed \$75,000.

The maximum credit amount of \$1,200 and the eligibility income threshold of \$55,000 (\$75,000 for eligible senior claimants) is adjusted annually for inflation.

### *Schedule H*

To receive the property tax credit against his or her D.C. income tax liability, a taxpayer must complete "Schedule H, Homeowners and Renter Property Tax Credit." For 2019 taxes, a taxpayer's total federal adjusted gross income cannot exceed \$55,000 (under age 70) or \$75,000 (age 70 or older).

Section 47-1806.09a amended 2004; § 47-1806.09 amended 2007; § 47-1806.06 amended 2019; § 47-1801.04 amended 2017; § 47-1803.03 amended 2018.

[D.C. Code §§ 47-1801.04, -1803.03, -1806.06, -1806.09, -1806.09a \(2019\); D.C. Office of Tax & Rev., 2018 District of Columbia \(DC\) Individual Income Tax Forms and Instructions](#)

### District Of Columbia, Federal Deductions

The District of Columbia real property deduction is the same as the deduction allowed under the Internal Revenue Code for federal individual income tax returns. However, the overall deduction may be reduced. See **State-Specific Deductions**.

The District of Columbia defines "Internal Revenue Code of 1986" as including the provisions that "apply on the same dates that they are effective for federal tax purposes." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not

exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

Section 47-1801.04 amended 2017; § 47-1803.03 amended 2018.

[D.C. Code §§ 47-1801.04; -1803.03\(a\)\(3\), \(b-4\) \(2019\)](#)

## District Of Columbia, State-Specific Deductions

There is no district-specific real property tax deduction. The District of Columbia's property tax deduction is the same as the deduction allowed under the Internal Revenue Code for federal individual income tax returns. However,

[i]n the case of an individual whose District adjusted gross income exceeds the applicable amount [\$200,000, or \$100,000 if married filing separately], the amount of the itemized deductions otherwise allowable for the taxable year shall be reduced by 5% of the excess of the District adjusted gross income over the applicable amount.

Section amended 2018.

[D.C. Code § 47-1803.03\(a\)\(3\), \(b-4\) \(2019\)](#)

## Florida

### Florida, Exceptions and Notes

Florida residents are not subject to a state personal income tax. [State of Fla., Florida Tax Guide, Florida Taxes - A Quick Look](#) (last visited Nov. 28, 2019).

### Florida, Federal Deductions

Florida residents are not subject to a state personal income tax. [State of Fla., Florida Tax Guide, Florida Taxes - A Quick Look](#) (last visited Nov. 28, 2019).

### Florida, State-Specific Deductions

Florida residents are not subject to a state personal income tax. [State of Fla., Florida Tax Guide, Florida Taxes - A Quick Look](#) (last visited Nov. 28, 2019).

## Georgia

### Georgia, Exceptions and Notes

In Georgia, an individual's taxable net income is his or her federal adjusted gross income, less either:

- if the taxpayer itemized deductions when computing his or her federal taxable income, the sum of all itemized nonbusiness deductions used in computing federal taxable income; or
- if the taxpayer could not or did not itemize, then a standard deduction as provided by statute.

None of the state's statutory adjustments address property tax deductions. Therefore, the federal deduction for real property taxes (see [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)) applies.

For taxable years beginning on or after January 1, 2018, Georgia defines "Internal Revenue Code" for most purposes as the Internal Revenue Code of 1986 as "provided for in federal law enacted on or before January 1, 2019." The TCJA was signed into law on December 22, 2017. Therefore, Georgia has adopted the changes related to state and local tax deductions. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but the deduction is subject to the \$10,000 (or \$5,000, if applicable) cap.

When federal itemized deductions are reduced because of a taxpayer's high income, the reduced amount is used as the starting point to compute Georgia itemized deductions.

Section 48-7-30 amended 2017; §§ 48-1-2 and 48-7-27 amended 2019.

Ga. Code §§ 48-1-2; 48-7-27, -30(d)(1) (LexisNexis 2019)

## Georgia, Federal Deductions

In Georgia, the taxable net income of an individual is the taxpayer's federal adjusted gross income, less the sum of all itemized deductions used in computing federal taxable income (or the standard deduction, if the taxpayer could not or did not itemize deductions), as adjusted. None of the state's statutory adjustments address property tax deductions. Therefore, the federal deduction for real property taxes (see [26 U.S.C. § 164\(a\)\(1\), \(c\)](#)) applies.

For taxable years beginning on or after January 1, 2018, Georgia defines "Internal Revenue Code" for most purposes as the Internal Revenue Code of 1986 as "provided for in federal law enacted on or before January 1, 2019." The TCJA was signed into law on December 22, 2017. Therefore, Georgia adopted the changes related to state and local tax deductions. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but the deduction is subject to the \$10,000 (or \$5,000, if applicable) cap.

Sections amended 2019.

Ga. Code §§ 48-1-2, -7-27 (LexisNexis 2019)

## Georgia, State-Specific Deductions

There is no state-specific real property tax deduction.

## Guam

### Guam, Exceptions and Notes

The U.S. Congress created the Territorial Government of Guam as a separate taxing jurisdiction by enacting the Organic Act of Guam in 1950. Section 31 of the Act provides

that the income tax laws in force in the United States are the income tax laws of Guam, substituting Guam for the United States where necessary and omitting any inapplicable or incompatible provisions. The U.S. Internal Revenue Code with such changes constitutes the Guam Territorial Income Tax Law.

Therefore, the itemized deductions available under federal tax law are available under Guam's territorial tax law, including the real property tax deduction.

Pursuant to [48 U.S.C. § 1421i\(a\)](#), the "income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in Guam." [26 U.S.C. § 164\(b\)\(6\)](#) provides that for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is likely subject to a \$10,000 (or \$5,000, if applicable) cap.

Section 1421i amended 2002.

[48 U.S.C. § 1421i\(a\) \(2019\)](#); [Guam Dep't of Rev. & Tax., \*Guam Tax Structure\* \(last visited Dec. 10, 2019\)](#)

## Guam, Federal Deductions

The itemized deductions available under federal tax law are available under Guam's territorial tax law, including the real property tax deduction. See **Exceptions and Notes**.

Pursuant to [48 U.S.C. § 1421i\(a\)](#), the "income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in Guam." [26 U.S.C. § 164\(b\)\(6\)](#) provides that for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real

property tax deduction, but that deduction is likely subject to a \$10,000 (or \$5,000, if applicable) cap.

Section 1421i amended 2002.

[48 U.S.C. § 1421i\(a\) \(2019\)](#); [Guam Dep't of Rev. & Tax., \*Guam Tax Structure\* \(last visited Dec. 10, 2019\)](#)

## Guam, State-Specific Deductions

There is no Guam-specific real property tax deduction.

## Hawaii

### Hawaii, Exceptions and Notes

Hawaii income tax law generally conforms to the Internal Revenue Code, except those provisions of the Internal Revenue Code that explicitly do not apply or are otherwise limited. Haw. Rev. Stat. § 235-2.4(a)(4)(k) provides that [26 U.S.C. § 164](#) (with respect to taxes) applies when computing deductions, subject to certain exceptions.

One of those exceptions is significant here. Although Hawaii updated its conformity date to the version of the Internal Revenue Code in effect on December 31, 2018, section 235-2.4(k)(1) explicitly provides that federal "section 164(b)(6)(B) (limiting the deduction for state and local taxes) shall not be operative for the purposes of this chapter [235]." Therefore, although [26 U.S.C. § 164\(b\)\(6\)](#) provides that for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return), that limit does *not* apply on Hawaii state tax returns.

Limits on the total itemized deductions based on federal adjusted gross income pursuant to [26 U.S.C. § 68](#) do apply, but are recalculated for Hawaii's tax. In Hawaii, although the overall limitation on itemized deductions in 26 U.S.C. § 68 is operative, the income thresholds are "those that were operative for federal tax year 2009."

Hawaii's Resident Income Tax Form instructions provide that a taxpayer should "[i]nclude taxes that you paid on property you own that was not used for business." If a taxpayer's mortgage payments include real estate taxes, he or she should deduct only the amount equal to the real estate taxes the mortgage company actually paid to the taxing authority.

Sections 235-2.3 and 235-2.4 amended 2019. Instructions dated 2019.

[Haw. Rev. Stat. §§ 235-2.3\(a\), -2.4\(a\)\(4\)\(b\), \(i\) \(2018\)](#) (as both are amended by [2019 Haw. Sess. Laws ch. 69](#)); [Haw. Dep't of Tax., 2018 N-11 Form and Instructions, at 19](#)

## Hawaii, Federal Deductions

Federal law applies when computing deductions, subject to certain exceptions. Federal limits on the total itemized deductions also apply, but are recalculated for the Hawaii tax. See **Exceptions and Notes** for details regarding the state limit.

Note that although Hawaii updated its conformity date to the Internal Revenue Code in effect on December 31, 2018, section 235-2.4(k)(1) explicitly provides that "section 164(b)(6)(B) (limiting the deduction for state and local taxes) shall not be operative for the purposes of this chapter [235]." Therefore, although [26 U.S.C. § 164\(b\)\(6\)](#) provides that for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return), that limit does *not* apply to Hawaii state tax returns.

Sections 235-2.3 and 235-2.4 amended 2019.

[Haw. Rev. Stat. §§ 235-2.3\(a\), -2.4\(a\)\(4\)\(b\), \(i\) \(2018\)](#) (as both are amended by [2019 Haw. Sess. Laws ch. 69](#))

## Hawaii, State-Specific Deductions

There is no state-specific real property tax deduction.

## Idaho

### Idaho, Exceptions and Notes

Idaho tax law provides that individual taxpayers start with their federal taxable income, so the taxpayer's deductions have already been determined on his or her federal tax form.

Pursuant to [26 U.S. Code § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Idaho law now defines the term "Internal Revenue Code of 1986" for most purposes as the Code that was in effect on January 1, 2019. Therefore, for the 2019 tax year and beyond, the itemized deduction on Idaho's state tax return may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

There are no other relevant exceptions or adjustments under state law. (The adjustment involving state and local taxes, generally includes only those that are measured by net income.) Therefore, an individual taxpayer's itemized deductions are the same as used on the federal Form 1040, including the property tax deduction (as qualified above), except all state or local income taxes shown on federal Schedule A must be subtracted from the total itemized amount.

Sections amended 2019.

[Idaho Code §§ 63-3004, -3022\(j\) \(2019\); Idaho State Tax Comm'n, \*Idaho 2018 Individual Income Tax\*, at 7](#)

### Idaho, Federal Deductions

Idaho tax law provides that individual taxpayers start with their federal taxable income, so the taxpayer's deductions have already been determined on his or her federal tax form.

Pursuant to [26 U.S. Code § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Idaho law now defines the term "Internal Revenue Code of 1986" for most purposes as the code that was in effect on January 1, 2019. Therefore, for the 2019 tax year and beyond, the itemized

deduction on Idaho's state tax return may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

Sections amended 2019.

[Idaho Code §§ 63-3004, -3022\(j\) \(2019\)](#)

## Idaho, State-Specific Deductions

There is no state-specific real property tax deduction.

## Illinois

### Illinois, Exceptions and Notes

#### *Overview*

In Illinois, state personal income tax is based on the taxpayer's Illinois net income, which is a portion of his or her base income. The taxpayer's base income equals his or her federal adjusted gross income, as modified by amounts not related to the real property tax deduction. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before itemized deductions are subtracted.

Although there is no real property tax deduction, Illinois residents are allowed a residential real estate property tax *credit* against their state income taxes.

#### *Income tax credit for residential real property taxes*

An individual taxpayer is entitled to a tax *credit* equal to five percent of real property taxes the taxpayer paid during the taxable year on his or her principal residence. For tax years ending on or after December 31, 2021, the credit increases to six percent. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence are the portion of the total taxes attributable to the principal residence.

For tax years beginning on or after January 1, 2017, the Illinois property tax credit is not allowed if the taxpayer's adjusted gross income for the taxable year exceeds \$500,000 for returns with a federal filing status of married filing jointly, or \$250,000 for all other returns.

Nonresidents of Illinois may not take this credit.

Section 5/202 amended 2002; other sections amended 2019.

[35 Ill. Comp. Stat. 5/201, /202, /203, /208 \(2019\)](#); [Ill. Dep't of Rev., Property Tax Credit](#) (last visited Dec. 5, 2019)

## Illinois, Federal Deductions

In Illinois, state personal income tax is based on the taxpayer's Illinois net income, which is a portion of his or her base income. The taxpayer's base income equals his or her federal adjusted gross income, as modified by amounts not related to the real property tax deduction. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before itemized deductions are subtracted. There are no state-specific deductions. Accordingly, Illinois appears not to allow any deduction for real property taxes on state income taxes.

Section 5/202 amended 2002; § 5/201 and § 5/203 amended 2019.

[35 Ill. Comp. Stat. 5/201, /202, /203 \(2019\)](#)

## Illinois, State-Specific Deductions

There is no state-specific real property tax deduction.

## Indiana

### Indiana, Exceptions and Notes

#### *Overview*

Indiana's state income tax is applied to a taxpayer's adjusted gross income, defined the same as under federal law, with several additions and subtractions. One of the subtractions is related to the taxpayer's property taxes. See **State-Specific Deductions** for details regarding these adjustments.

The state also provides a homestead *credit* against income taxes for low income individuals, which is described below.

*Low-income credit against income taxes (§§ 6-3.1-20-4, -5)*

Although not a deduction, note that an individual is entitled to a refundable *credit* to his or her state income tax liability if:

- the individual's Indiana income for the taxable year is less than \$18,600;
- the individual pays property taxes on a homestead that the individual owns or is buying under a recorded contract that requires the individual to pay property taxes on the homestead; and
- the property is located in a county with a population of more than 400,000, but less than 700,000.

An individual is not entitled to this credit if he or she claims a deduction for the homestead for that same taxable year.

The refundable credit against the taxpayer's state income tax liability is based on the taxpayer's income. If the individual's Indiana income is less than \$18,000 for the taxable year, the credit is equal to the lesser of:

- \$300; or
- the property taxes paid.

If the individual's Indiana income is at least \$18,000, but less than \$18,600, the credit is equal to an amount determined using a statutory formula.

Section 6-3.1-20-5 amended 2014; § 6-3.1-20-4 amended 2015; §§ 6-3-2-1 amended 2018; § 6-3-1-3.5 amended 2019.

[Ind. Code §§ 6-3-1-3.5\(a\)\(13\), -2-1; -3.1-20-4, -5 \(2019\); Ind. Dep't of Rev., Tax Deduction Details \(last visited Dec. 5, 2019\)](#)

## Indiana, Federal Deductions

The federal property tax deduction is not applied in Indiana for state tax purposes. The state's personal income tax is based on the taxpayer's adjusted gross income. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before itemized deductions are subtracted. However, the state does permit a subtraction related to the taxpayer's property taxes. See **State-Specific Deductions** for details regarding this adjustment.

Section 6-3.1-20-5 amended 2014; §§ 6-3-2-1 amended 2018; § 6-3-1-3.5 amended 2019.

[Ind. Code §§ 6-3-1-3.5\(a\)\(13\), -2-1; -3.1-20-4 \(2019\)](#)

## Indiana, State-Specific Deductions

### *Overview*

Although Indiana does not apply the federal real property tax deduction for state tax purposes, the state does provide property tax-related income tax breaks for homeowners.

### *Deduction for property taxes (§ 6-3-1-3.5)*

Indiana's state income tax is applied to a taxpayer's adjusted gross income, as defined under federal law, with several additions and subtractions, one of which is related to the taxpayer's property taxes. An Indiana individual income taxpayer may subtract the lesser of:

- \$2500; or
- the amount of property taxes the individual paid in Indiana on his or her principal residence.

The Indiana Department of Revenue defines "principal place of residence" as the place where the taxpayer has his or her "true, fixed home" and where he or she intends to return after being absent. Property taxes paid for summer or vacation homes are not deductible.

*Low-income credit against income taxes (§§ 6-3.1-20-4, -5)*

An individual is entitled to a refundable *credit* to his or her state income tax liability if he or she meets specified requirements. The individual is not entitled to this credit if he or she claims the deduction described above for the homestead for that same taxable year. See **Exceptions and Notes** for details regarding this credit.

Section 6-3.1-20-5 amended 2014; § 6-3.1-20-4 amended 2015; § 6-3-2-1 amended 2019; § 6-3-1-3.5 amended 2019.

[Ind. Code §§ 6-3-1-3.5\(a\)\(13\), -2-1; -3.1-20-4, -5 \(2019\); Ind. Dep't of Rev., \*Tax Deduction Details\* \(last visited Dec. 5, 2019\)](#)

## Iowa

### Iowa, Exceptions and Notes

Iowa permits a deduction from net income of the larger of the following amounts:

- an optional standard deduction; or
- the total amount deductible for federal income tax purposes, including taxes, as adjusted. None of the adjustments are related to real property taxes.

However, Iowa law explicitly provides that, effective January 1, 2019, the "limitation on the deduction of certain taxes in section 164(b)(6) of the Internal Revenue Code does not apply in computing taxable income for state tax purposes. A taxpayer is allowed to deduct taxes in computing taxable income as otherwise provided in this subsection without regard to section 164(b)(6) . . ."

Section amended 2019.

[Iowa Code § 422.9\(1\), \(2\) \(2019\)](#)

## Iowa, Federal Deductions

Generally, Iowa taxpayers may deduct real property taxes to the extent they are deductible for federal income tax purposes under the Internal Revenue Code. However, effective January 1, 2019, the "limitation on the deduction of certain taxes in section 164(b)(6) of the Internal Revenue Code does not apply in computing taxable income for state tax purposes. A taxpayer is allowed to deduct taxes in computing taxable income as otherwise provided in this subsection without regard to section 164(b)(6) . . ."

Section amended 2019.

[Iowa Code § 422.9\(1\), \(2\) \(2019\)](#)

## Iowa, State-Specific Deductions

There is no state-specific property tax deduction.

## Kansas

### Kansas, Exceptions and Notes

*Overview (§ 79-32,120 & Kansas 2018 Legislative Changes document)*

If an individual's federal taxable income is determined by itemizing deductions, that individual may elect to deduct the Kansas itemized deduction. For the tax years starting on and after January 1, 2015 and ending before January 1, 2019, an individual's Kansas itemized deduction means a deduction from federal adjusted gross income, but with the deduction amount equal to 50 percent of the federal deductible amount of taxes on real and personal property as provided

by [26 U.S.C. § 164\(a\)](#). For the tax year commencing on and after January 1, 2019, and ending before January 1, 2020, that amount is increased to 75%, and for the tax years commencing on and after January 1, 2020, 100%.

The Kansas Department of Revenue lists the above percentage changes as still effective for tax year 2018. It also notes that the federal "SALT [state and local tax] limitations passed in the Tax Cuts and Jobs Act will not affect the real and personal property taxes allowed on the Kansas return."

The state also permits certain taxpayers to claim an income tax *credit* for property taxes paid, as described below.

*Senior income tax credit (§ 79-32,263)*

Although it is not a deduction, note that the state's selective assistance for effective senior relief (SAFESR) act, allows as a *credit* against senior taxpayer's tax liability under the Kansas income tax act, an amount equal to 75 percent of the property and ad valorem taxes timely paid by a taxpayer who:

- is 65 years of age or older; and
- has household income equal to or less than 120 percent of the federal poverty level for two persons.

The property taxes must be paid on property used as the taxpayer's principal residence. Additional conditions apply.

Section 79-32,263 amended 2014; § 79-32,120 amended 2017 when the governor's veto was overridden; § 79-32,117 amended 2019. Legislative changes document revised 2019.

[Kan. Stat. §§ 79-32,117](#) (as amended by [2019 Kan. S.L. 65, § 8](#)), [-32,120](#), [-32,263 \(2018\)](#); [Kan. Dep't of Rev., Kansas 2019 Legislative Changes \(July 10, 2019\)](#)

## Kansas, Federal Deductions

Kansas previously allowed taxpayers to deduct property tax payments on their Kansas income taxes to the same extent they were deducted on their federal taxes. For the tax years starting on and after January 1, 2015 and ending before January 1, 2019, an individual's Kansas itemized deduction means a deduction from federal adjusted gross income, but with the deduction amount equal to 50 percent of the federal deductible amount of taxes on real and personal property as provided by [26 U.S.C. § 164\(a\)](#). For the tax year commencing on and after January 1, 2019, and ending before January 1, 2020, that amount is increased to 75%, and for the tax years commencing on and after January 1, 2020, 100%.

The Kansas Department of Revenue lists the above percentage changes as still effective for tax year 2018. It also notes that the federal "SALT [state and local tax] limitations passed in the Tax Cuts and Jobs Act will not affect the real and personal property taxes allowed on the Kansas return."

Section amended 2019. Legislative changes document revised 2019.

[Kan. Stat. §§ 79-32,117](#) (as amended by [2019 Kan. S.L. 65, § 8](#)); [Kan. Dep't of Rev., Kansas 2019 Legislative Changes \(July 10, 2019\)](#)

## Kansas, State-Specific Deductions

There is no state-specific real property tax deduction.

## Kentucky

### Kentucky, Exceptions and Notes

Kentucky significantly revised its laws regarding deductions on its state tax returns in 2018.

Kentucky levies income tax on individual taxpayers based on their "net income." Section 141.019 defines "net income" as adjusted gross income minus the deductions allowed by the Internal Revenue Code, as adjusted by a significant number of exceptions. However, effective for tax years beginning on or after January 1, 2018, any deduction allowed by [26 U.S.C. § 164](#) for taxes is *not* allowed. Since the list of deductions excluded when calculating "net income" includes real estate taxes, for tax years starting on or after January 1, 2018, real estate taxes are no longer deductible in Kentucky.

Sections 141.020 amended 2018; § 141.019 amended 2019; § 141.010 amended 2019.

[Ky. Rev. Stat. §§ 141.010, .019, .020 \(2019\)](#)

## Kentucky, Federal Deductions

Section 141.019 defines "net income" as adjusted gross income minus the deductions allowed by the Internal Revenue Code, as adjusted by a significant number of exceptions. However, effective for tax years beginning on or after January 1, 2018, any deduction allowed by [26 U.S.C. § 164](#) for taxes is *not* allowed. Since the list of deductions excluded when calculating "net income" includes real estate taxes, for tax years starting on or after January 1, 2018, real estate taxes are no longer deductible in Kentucky.

Sections 141.020 amended 2018; § 141.019 amended 2019; § 141.010 amended 2019.

[Ky. Rev. Stat. §§ 141.010, .019, .020 \(2019\)](#)

## Kentucky, State-Specific Deductions

There is no state-specific real property tax deduction.

## Louisiana

### Louisiana, Exceptions and Notes

Louisiana has a state-specific deduction for taxes assessed against property. See **State-Specific Deductions** for details.

### Louisiana, Federal Deductions

Although Louisiana's state laws generally conform to federal law, Louisiana law sets forth its own provisions regarding deductible state and local taxes. See **State-Specific Deductions** for details.

### Louisiana, State-Specific Deductions

Louisiana generally allows a deduction for all taxes paid or accrued within the taxable year when computing net income. However, the state does not allow taxpayers to deduct taxes "assessed against local benefits of a kind tending to increase the value of the property assessed." This exception does not exclude the deduction of the portion of the taxes "properly allocable to maintenance or interest charges."

This provision is similar to federal law, which generally provides that “any state, local or foreign taxes on real property levied for the general public welfare” are deductible on federal tax returns. However, local benefit taxes for property improvements (such as assessments for streets, sidewalks, and sewer lines) are not deductible, unless they are for maintenance or repair.

Statutory section 47:55 amended 2016; I.R.S. publication updated 2019.

[La. Rev. Stat. § 47:55 \(2019\)](#); see [I.R.S. Topic 503 – Deductible Taxes \(Aug. 23, 2019\)](#)

## Maine

### Maine, Exceptions and Notes

#### *Deduction Overview (§ 5125(3)(A-1))*

For tax years beginning on or after January 1, 2018, the Maine itemized deduction may be increased by the amount of real and personal property taxes *not* claimed for federal income tax purposes because of the \$10,000 limit (\$5,000 for married taxpayers filing separate returns) on state and local taxes imposed by [26 U.S.C. § 164\(b\)\(6\)\(B\)](#). Thus, Maine taxpayers may include in their Maine itemized deductions their property taxes, even those not deducted on their federal returns. This provision is phased out for higher-income taxpayers; the total itemized deductions of the certain higher-income taxpayers must be reduced according to the formula set forth in § 5125, sub. 7.

Note: Spouses, both of whom are required to file returns, are allowed to claim itemized deductions from Maine adjusted gross income only if both do so. Their total itemized deductions from federal adjusted gross income may be taken by either spouse or divided between them, as they may elect, if their federal income tax is determined on a joint return but their Maine tax is determined on separate returns.

The total itemized deductions from Maine adjusted gross income claimed on a return may not exceed \$28,350. (This limitation does not apply to medical and dental expenses included in an individual's itemized deductions from federal adjusted gross income). The total itemized deduction limit is adjusted annually for changes in the cost of living.

The state also permits certain taxpayers to claim an income tax *credit* for property taxes paid, as described below.

*Property tax fairness credit (§§ 5219-KK; 5403(6))*

For tax years beginning on or after January 1, 2014, certain Maine residents are allowed a property tax fairness *credit* against their state income taxes. Generally, for tax years beginning on or after January 1, 2018, a resident is allowed an income tax credit in an amount equal to 100 percent (previously 50 percent) of the benefit base that is greater than 6 percent (5 percent for tax years beginning on or after January 1, 2020) of the individual's income. "Benefit base" means property taxes paid by a resident individual during the tax year on the individual's homestead in Maine or rent constituting property taxes paid by the individual during the tax year on a Maine homestead not exceeding the following amounts:

- for persons filing as single individuals, \$2,050;
- for persons filing joint returns or as heads of households that claim the federal child tax credit for no more than one qualifying child or dependent, \$2,650; and
- for persons filing as heads of household that claim the federal child tax credit for more than one qualifying child or dependent and for persons filing joint returns that claim the federal child tax credit for at least one qualifying child or dependent, \$3,250.

For tax years beginning after 2018, the benefit base amounts will be adjusted for inflation.

For tax years starting on or after January 1, 2018, the credit may not exceed:

- \$750 for residents under 65 years of age; or
- \$1200 for residents 65 years of age and older as of the last day of the taxable year.

In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the \$1200 credit limitation. Married taxpayers filing separate returns do not qualify for the credit.

Sections 5403 and 5219-KK amended 2019; § 5125 amended 2017.

[Me. Rev. Stat. Ann. tit. 36, §§ 5125, 5219-KK, 5403 \(2019\)](#)

## Maine, Federal Deductions

For tax years starting on or after January 1, 2018, Maine allows individual taxpayers to increase their itemized deductions by the amount of real and personal property taxes *not* claimed for federal income tax purposes because of the \$10,000 limit (\$5,000 for married taxpayers filing separate returns) on state and local taxes imposed by [26 U.S.C. § 164\(b\)\(6\)\(B\)](#).

However, the total itemized deductions from Maine adjusted gross income claimed on a return may not exceed \$28,350. (This limitation does not apply to medical and dental expenses included in an individual's itemized deductions from federal adjusted gross income). The total itemized deduction limit is adjusted annually for changes in the cost of living.

Section 5125 amended 2017; § 5403 amended 2019.

[Me. Rev. Stat. Ann. tit. 36, §§ 5125, 5403 \(2019\)](#)

## Maine, State-Specific Deductions

There is no state-specific real property tax deduction.

## Maryland

### Maryland, Exceptions and Notes

#### *Overview*

Only a taxpayer who itemizes on his or her federal income tax return may elect to itemize deductions on his or her Maryland state income tax return. An individual who elects to itemize deductions may deduct the total of the individual's federal itemized deductions, as limited and

reduced by the Internal Revenue Code and by Maryland's tax code. None of the state adjustments are related to deducting real property taxes.

Pursuant to Maryland law, "Internal Revenue Code" simply means "Title 26 of the United States Code." Thus, the state appears to have a rolling conformity date with the federal code. The TCJA was signed into law on December 22, 2017, so it applies to Maryland's deductions starting in tax year 2018. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, an individual's itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

Maryland also permits certain taxpayers to claim an income tax *credit* for property taxes, as described below.

#### *Credit against state income taxes*

Certain Maryland residents are allowed a residential real estate property tax *credit* against their state income taxes. Generally, an individual may claim a credit against the Maryland state income tax for a portion of the property tax paid for owner-occupied, residential real property that is granted a property tax credit under §§ 9-317(e), 9-318(d), or 9-326 of the Tax-Property Article. The credit equals the amount of the property tax credit granted under those sections.

Section 10-218 amended 2001; § 10-707 amended 2003; §§ 1-101 and 10-108 amended 2004.

[Md. Code Ann. Tax-Gen. §§ 1-101; 10-108, -218, -707 \(2019\)](#)

## Maryland, Federal Deductions

Maryland allows individual taxpayers to claim the same itemized state property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. An individual who elects to itemize deductions may deduct the total of the individual's federal itemized deductions, as limited and reduced by the Internal Revenue Code and by Maryland's tax code. None of the state's adjustments are related to the property tax deduction.

Note that pursuant to Maryland law, "Internal Revenue Code" simply means "Title 26 of the United States Code." Thus, the state has a rolling conformity date with the federal code. The TCJA was signed into law on December 22, 2017, so it applies to Maryland's deductions. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#) as amended by the TCJA, for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, an individual's itemized deduction may include a real property tax deduction, but the total state and local tax deduction is subject to the \$10,000 (or \$5,000, if applicable) cap.

Section 10-218 amended 2001; §§ 1-101 and 10-108 amended 2004.

[Md. Code Ann. Tax-Gen. §§ 1-101; 10-108, -218 \(2019\)](#)

## Maryland, State-Specific Deductions

There is no state-specific real property tax deduction.

## Massachusetts

### Massachusetts, Exceptions and Notes

#### *Overview*

Massachusetts' allowable deductions differ from federal itemized deductions, and there is no state deduction for real property taxes.

However, Massachusetts does allow an income tax *credit* based on real estate tax increases for qualified taxpayers.

*Circuit breaker credit (ch. 62, § 6 and Department of Revenue webpages)*

Massachusetts provides an income tax *credit* based on real estate tax increases for certain persons 65 years of age or older. A qualified owner must:

- own residential property located in the commonwealth;
- be 65 years of age or older;
- not be a dependent of another taxpayer; and
- occupy the property as his or her principal residence.

The credit, which originally equaled the lesser of the amount by which the real estate tax payment exceeds 10 per cent of the taxpayer's total income or \$750, was available only if:

- the taxpayer's total income did not exceed "\$40,000 for a single individual who is not the head of a household, \$50,000 for a head of household, and \$60,000 for a husband and wife filing a joint return"; and
- the residence's assessed value did not exceed \$600,000.

However, income, valuation, and credit limits are adjusted annually by a cost-of-living adjustment. After adjustment, for the 2018 tax year:

- the maximum credit allowed is \$1100;
- the taxpayer's total income may not exceed \$58,000 for a single filer who is not the head of a household, \$73,000 for a head of household, or \$88,000 for married taxpayers filing jointly; and

- the assessed value of the homeowner's personal residence as of January 1, 2014 (before residential exemptions but after abatements), may not exceed \$778,000.

Sections amended 2018. Information sheets dated 2018.

[Mass. Gen. Laws ch. 62, §§ 3, 6 \(2019\)](#); [Mass. Dep't of Rev., \*Senior Circuit Breaker Tax Credit\* \(last visited Dec. 6, 2019\)](#); [Mass. Dep't of Rev., \*TIR 18-10: Annual Update of Real Estate Tax Credit for Certain Persons Age 65 and Older\* \(Oct. 3, 2018\)](#)

## Massachusetts, Federal Deductions

Massachusetts' allowable deductions differ from federal itemized deductions. There is no state deduction for real property taxes.

Section amended 2018.

See [Mass. Gen. Laws ch. 62, § 3 \(2019\)](#)

## Massachusetts, State-Specific Deductions

There is no state-specific real property tax deduction.

## Michigan

### Michigan, Exceptions and Notes

#### *Overview*

Michigan's state personal income tax is based on the taxpayer's federal adjusted gross income, which is calculated before itemized deductions are subtracted. There are no state-specific deductions. Accordingly, Michigan does not allow any deduction for real property taxes on its state income tax.

However, the state does allow qualified taxpayers to take an income tax *credit* related to real property taxes.

*Property tax credit (§ 206.520)*

A taxpayer may claim a property tax *credit* if all of the following apply:

- the homestead is located in Michigan;
- the taxpayer was a Michigan resident at least six months of the taxable year;
- the taxpayer pays property taxes (or rent) on his or her Michigan homestead; and
- the taxpayer owns (or rents) the home he or she lives in.

A taxpayer may not claim a property tax credit if:

- the total household resources are more than \$50,000; or
- the taxpayer's taxable value of his or her homestead, through the 2021 tax year, exceeds \$135,000 (excluding vacant farmland classified as agricultural).

Beginning with the 2018 tax year, the computed credit is reduced by 10 percent for every \$1000 (or part of \$1000) that total household resources exceed \$51,000. The credit will be reduced by 10% for each claimant whose total household resources exceed the minimum total household resources amount and by an additional 10% for each increment of \$1000 of total household resources in excess of the minimum total household resources amount for that tax year. For the 2021 tax year and each tax year thereafter, the minimum total household resources threshold amount for the immediately preceding tax year will be adjusted by the percentage increase in the U.S. consumer price index for the immediately preceding calendar year and rounded to the nearest \$100 increment.

For the 2018 tax year and each tax year after 2018, the total credit allowed by this credit and the credit provided by [§ 206.522](#) (which addresses claim amounts for senior citizens, veterans, and taxpayers with certain disabilities) may not exceed \$1200 per year. Beginning with the 2021 tax year, the maximum credit amount for the immediately preceding tax year will be adjusted by the percentage increase in the U.S. consumer price index.

Generally, a person who rents or leases a homestead may claim a similar credit computed under § 206.520 and § 206.522 based upon 20% of the gross rent paid for tax years before the 2018 tax year or 23% of the gross rent paid for tax years after the 2017 tax year. Only the renter or lessee may claim a credit on property that is rented or leased as a homestead.

Section 206.520 amended 2015; § 206.30 amended 2018.

[Mich. Comp. Laws § 206.30, .520 \(2019\)](#); [Mich. Dep't of Treasury, \*Homestead Property Tax Credit Information\* \(last visited Dec. 6, 2019\)](#)

## Michigan, Federal Deductions

In Michigan, state personal income tax is based on the taxpayer's federal adjusted gross income. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before itemized deductions are subtracted. Therefore, itemized deductions claimed on the federal income tax Schedule A, such as the real property tax deduction, are not deductible for purposes of calculating Michigan's state income tax.

Section amended 2018.

[Mich. Comp. Laws § 206.30 \(2019\)](#)

## Michigan, State-Specific Deductions

There is no state-specific real property tax deduction.

## Minnesota

### Minnesota, Exceptions and Notes

Minnesota allows individual taxpayers to claim a state-specific itemized real property tax deduction for tax years beginning after December 31, 2018. See **State-Specific Deductions**.

## Minnesota, Federal Deductions

Minnesota allows individual taxpayers to claim a state-specific itemized real property tax deduction for tax years beginning after December 31, 2018. See **State-Specific Deductions**.

Section enacted 2019.

[Minn. Stat. § 290.0122 \(2019\)](#)

## Minnesota, State-Specific Deductions

Effective for taxable years beginning after December 31, 2018, Minnesota has a state-specific property tax deduction.

"State itemized deduction" is defined as the itemized deductions for individual income tax allowed under Minn. Stat. § 290.0122. Under § 290.0122, a taxpayer is allowed, among other deductions, a deduction for "state and local personal property taxes and real property taxes, in a total amount for both types not to exceed \$10,000, or \$5,000 for a married taxpayer filing a separate return."

The total itemized deductions of a taxpayer with adjusted gross income in excess of the "applicable amount" are reduced by the lesser of:

- three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or
- 80 percent of the amount of the taxpayer's itemized deductions.

"Applicable amount" means \$194,650 (or \$97,325 for a married individual filing a separate return), adjusted for inflation.

Section 290.01 amended 2019, § 290.0122 enacted 2019

[Minn. Stat. §§ 290.01, subd. 29a, .0122 \(2019\)](#)

## Mississippi

### Mississippi, Exceptions and Notes

A Mississippi taxpayer may either itemize individual nonbusiness deductions or claim the standard deduction for his or her filing status, whichever provides the greater tax benefit. Mississippi allows the same itemized deduction for property tax payments for state income tax purposes as is used for federal income tax purposes.

Although Mississippi statutes do not specify the applicable version of the federal code, references to it in chapter 27-7 are generally to the code "as amended." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), as amended, for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is presumably subject to a \$10,000 (or \$5,000, if applicable) cap. ([H.B. 1622](#), which would have allowed state income taxes to be deducted "without regard to any limitation on the amount allowable for federal income tax purposes," did not pass into law. No other legislation was located that addressed the new federal limits.)

Section amended 2017.

Miss. Code Ann. § 27-7-17(3)(a) (LexisNexis 2019)

### Mississippi, Federal Deductions

Mississippi allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. Although the total deduction amount for taxes on the federal return is adjusted for the state return, none of the adjustments are related to the real property tax deduction.

Although Mississippi statutes do not specify the applicable version of the federal code, references to it in chapter 27-7 are generally to the code "as amended." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), as amended, for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction on the state return may include a real property tax deduction, but that deduction is presumably subject to a \$10,000 (or \$5,000, if applicable) cap. ([H.B. 1622](#), which would have allowed state income taxes to be deducted "without regard to any limitation on the amount allowable for federal income tax purposes," did not pass into law. No other legislation was located that addressed the new federal limits.)

Section amended 2017.

Miss. Code Ann. § 27-7-17(3)(a) (LexisNexis 2019)

## Mississippi, State-Specific Deductions

There is no state-specific real property tax deduction.

## Missouri

### Missouri, Exceptions and Notes

#### *Overview*

Missouri allows individual taxpayers to claim the same itemized deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return, subject to modifications that do not involve property taxes.

Section 143.091 states that a "reference in sections 143.011 to 143.996 to the laws of the United States shall mean the provisions of the Internal Revenue Code of 1986, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as the same may be or become effective, at any time or from time to time, for the taxable year." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Missouri also allows an income tax *credit* for property taxes paid by certain individuals, as described below.

*Income tax credit (§§ 135.010, .020, .025, .030)*

Property taxes accrued, up to \$1100 in actual property tax paid, is used to determine a property tax *credit* on certain individual's state income tax. The Missouri Property Tax Credit Claim is available to qualified disabled individuals, senior citizens, and veterans. It is calculated as a portion of their annual real estate taxes. The maximum credit is \$1100 for residents who own and occupy their home. The actual credit amount is based on the real estate taxes paid and total household income.

A qualified disabled claimant must be 100-percent disabled and provide proof of the disability. In this context, "disabled" means "the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months."

A qualified elderly claimant must:

- have attained the age of 65 and have been a Missouri resident for the entire year; or
- have reached the age of 60 and received surviving spouse Social Security benefits.

A qualified veteran must be a veteran of the United States or Missouri armed forces who became 100-percent disabled as a result of his or her service. In this context, "disabled" means "the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months."

If this property tax credit exceeds the claimant's income tax reduced by other credits, the excess is "considered an overpayment of the income tax." If the claimant's income is equal to or less than

a "maximum upper limit," the property tax credit is determined from a table of credits based on the amount by which the total property tax exceeds the stated percent of income. The maximum upper limit is generally \$27,500, unless the property is a homestead the claimant owns and occupies for the entire year, in which case the maximum upper limit is \$30,000.

#### *Income tax credit for surviving spouses of public safety officers (§ 135.090)*

A surviving spouse of certain public safety officers is allowed a *credit* against his or her income tax in an amount equal to "the total amount of the property taxes on the surviving spouse's homestead paid during the tax year." The surviving spouse may claim the credit for each tax year beginning with the year the public safety officer died and continuing until the surviving spouse remarries. If the credit amount exceeds the income tax reduced by other credits, the excess is considered an overpayment of the income tax.

In this context, "public safety officer" means a Missouri "firefighter, police officer, capitol police officer, parole officer, probation officer, correctional employee, water patrol officer, park ranger, conservation officer, commercial motor enforcement officer, emergency medical technician, first responder, or highway patrolman" who is killed in the line of duty, unless the death resulted from the officer's own misconduct or alcohol or drug abuse.

Section 135.020 enacted 1973; 143.091 amended 1989; § 143.141 amended 1992; §§ 135.010, 135.025, and 135.030 amended 2008; § 135.090 amended 2019.

[Mo. Rev. Stat. §§ 135.010, .020, .025, .030, .090; 143.091, .141 \(2019\); Mo. Dep't of Rev., \*Property Tax Credit\* \(last visited Dec. 9, 2019\)](#)

## Missouri, Federal Deductions

Missouri allows individual taxpayers to claim the same itemized deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return, subject to modifications that do not involve property taxes. Section 143.091 provides that references to federal income tax laws are to the laws as they are amended from time to time. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Section 143.091 amended 1989; § 143.141 amended 1992.

[Mo. Rev. Stat. §§ 143.091, .141 \(2019\)](#)

## Missouri, State-Specific Deductions

There is no state-specific real property tax deduction.

## Montana

### Montana, Exceptions and Notes

#### *Overview*

Montana allows individual taxpayers to take the same deductions as allowed under [26 U.S.C. § 161](#), including the real property tax deduction allowed under [§ 164](#) of the Internal Revenue Code.

Montana law provides that "references to specific provisions of the Internal Revenue Code mean those provisions as they may be . . . further amended." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction on Montana's state taxes may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

The state also allows an income tax *credit* for property taxes paid by certain individuals, as described below.

#### *Property tax credit against personal income tax (§ 15-30-2340)*

Although there is no state-specific property tax deduction, certain Montana residents are allowed a residential real estate property tax *credit* against their state income taxes. Montana provides a residential property tax credit against personal income tax for seniors who meet specified income levels. If the claimant's household income is \$35,000 or more but less than \$45,000, the credit

amount equals a percentage of the listed credit amounts. The credit granted may not exceed \$1000.

To be eligible to make a claim, the individual:

- must have reached 62 years of age or older on December 31;
- must have resided in Montana for at least nine months of the claim period;
- must have occupied one or more dwellings in Montana as an owner, renter, or lessee for at least six months of that period; and
- must have a gross household income of less than \$45,000.

Section 15-30-2131 amended 2007 and renumbered 2009; § 15-30-2340 amended and renumbered 2009; § 15-30-2101 amended 2015.

[Mont. Code Ann. §§ 15-30-2101\(13\), -2131\(1\)\(a\), -2340 \(2019\); Mont. Dep't of Rev., \*Montana Elderly Homeowner/Renter Credit Program\* \(last visited Dec. 9, 2019\)](#)

## Montana, Federal Deductions

Montana allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. However, state law provides that "references to specific provisions of the Internal Revenue Code mean those provisions as they may be . . . further amended." Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), as amended, for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction on Montana's state taxes may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Section 15-30-2131 amended 2007 and renumbered 2009; § 15-30-2101 amended 2015.

[Mont. Code Ann. §§ 15-30-2101\(13\), -2131\(1\)\(a\) \(2019\)](#)

## Montana, State-Specific Deductions

There is no state-specific real property tax deduction.

## Nebraska

### Nebraska, Exceptions and Notes

#### *Overview*

Nebraska allows a taxpayer who elects to subtract itemized deductions to deduct real property taxes on his or her Nebraska income taxes to the same extent property taxes are deducted on his or her federal tax return. There are no relevant exceptions. All taxpayers are allowed the larger of the Nebraska standard deduction or the federal itemized deduction, minus state and local income taxes included in federal itemized deductions before any federal disallowance.

Nebraska passed [LB 1090](#) in 2018 to restore many individual tax provisions to pre-TCJA levels. The bill explicitly set the federal code reference date to before December 22, 2017, for some purposes (such as personal exemptions). However, the provision for itemized deductions still provides that the itemized deductions are the "federal itemized deductions as defined in section 63(d) of the Internal Revenue Code of 1986, *as amended*." (Emphasis added.)

As amended, [26 U.S.C. § 63](#) defines "taxable income" as calculated after subtracting all federal itemized deductions. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes deducted on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the state itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Note that the Nebraska Legislature also amended § 49-801.01 to provide that "any reference to the Internal Revenue Code refers to the Internal Revenue Code of 1986 as it exists on April 12, 2018," except "as provided by" sections 77-2714 to 77-27,123. This could be interpreted as conflicting with the "as amended" language of § 77-2716.01 quoted above. The interpretation of "as amended"

in § 77-2716.01 determines whether the federal \$10,000 limit applies to the state and local taxes deduction, including property taxes.

Although no explicit clarification was located, subsection (4) of § 77-2716.01 clearly "provides" that the IRC "as amended" determines itemized deductions (but not exemptions). Secondary sources appear to indicate that the \$10,000 limit will apply, but that the bill compensates for lost itemized deductions by increasing the standard deduction: "Congress also made changes to itemized deductions . . . . To offset those changes, . . . LB1090 would establish a Nebraska standard deduction of \$6,750 for single taxpayers, \$9,900 for head of household filers and \$13,000 for those who are married filing jointly."

The state's 2018 individual income tax forms clarify this discrepancy. "All taxpayers that claimed itemized deductions on their federal return are allowed the larger of the Nebraska standard deduction or federal itemized deductions, minus state and local income taxes claimed on Federal Schedule A." The instructions further state: "If you itemized deductions on your federal return, you must enter the amount of state and local income taxes reported on Federal Schedule A, line 5a [to be subtracted from the federal itemized deductions total] even if the total amount of state and local taxes was limited to \$10,000 (\$5,000 married, filing separately) on Federal Schedule A, line 5e." See [Neb. Dep't of Rev., 2018 Nebraska Individual Income Tax Booklet, at pp. 7. 8.](#)

#### *Disallowance of itemized deductions (§ 77-2716.03)*

A taxpayer whose federal adjusted gross income is larger than the threshold amount determined under [26 U.S.C. § 68](#) for the disallowance of itemized deductions must calculate the excess amount. The taxpayer's tax liability is increased by an amount determined as follows:

The amount shall be calculated by multiplying the maximum individual tax rate by ten percent of the excess calculated in . . . [§ 77-2716.03(1)] and subtracting the amount of the tax from the tax tables on ten percent of the excess from the result. The difference shall be the increase in the tax liability.

If taxable income is less than ten percent of the excess, the taxpayer must make this calculation using taxable income.

Section 77-2716.03 amended 2006; §§ 49-801.01 amended 2018; § 77-2716.01 amended 2019.

[Neb. Rev. Stat. §§ 49-801.01; 77-2716.01\(4\), -2716.03 \(2019\); Unicameral Update, State Personal Exemption Credit, Standard Deduction Advanced \(Mar. 8, 2018\)](#)

## Nebraska, Federal Deductions

Nebraska allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return, except for the amount for state or local income taxes included in federal itemized deductions before any federal disallowance.

Nebraska passed [LB 1090](#) in 2018 to restore many individual tax provisions to pre-TCJA levels. Although the bill explicitly set the federal code reference date to before December 22, 2017, for some purposes (such as personal exemptions), the subsection referencing itemized deductions still provides that the itemized deductions are the "federal itemized deductions as defined in section 63(d) of the Internal Revenue Code of 1986, *as amended*." (Emphasis added.)

As amended, [26 U.S.C. § 63](#) defines "taxable income" as calculated after subtracting all federal itemized deductions. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes deducted on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the state itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

The state's 2018 individual income tax forms clarify this discrepancy. "All taxpayers that claimed itemized deductions on their federal return are allowed the larger of the Nebraska standard deduction or federal itemized deductions, minus state and local income taxes claimed on Federal Schedule A." The instructions further state: "If you itemized deductions on your federal return, you must enter the amount of state and local income taxes reported on Federal Schedule A, line 5a [to be subtracted from the federal itemized deductions total] even if the total amount of state and local taxes was limited to \$10,000 (\$5,000 married, filing separately) on Federal Schedule A, line 5e." See [Neb. Dep't of Rev., 2018 Nebraska Individual Income Tax Booklet, at pp. 7. 8.](#)

Section 77-2716.03 amended 2006; §§ 49-801.01 amended 2018; § 77-2716.01 amended 2018.

[Neb. Rev. Stat. §§ 49-801.01; 77-2716.01\(4\) \(2019\); Unicameral Update, State Personal Exemption Credit, Standard Deduction Advanced \(March 8, 2018\)](#)

## Nebraska, State-Specific Deductions

There is no state-specific real property tax deduction.

## Nevada

### Nevada, Exceptions and Notes

Nevada residents are not subject to a state personal income tax. See [Nev. Dep't of Taxation, Information About Nevada's Taxes and the Department: Income Tax in Nevada](#) (last visited Dec. 7, 2019).

### Nevada, Federal Deductions

Nevada residents are not subject to a state personal income tax. See [Nev. Dep't of Taxation, Information About Nevada's Taxes and the Department: Income Tax in Nevada](#) (last visited Dec. 7, 2019).

### Nevada, State-Specific Deductions

Nevada residents are not subject to a state personal income tax. See [Nev. Dep't of Taxation, Information About Nevada's Taxes and the Department: Income Tax in Nevada](#) (last visited Dec. 7, 2019).

## New Hampshire

### New Hampshire, Exceptions and Notes

New Hampshire does not have an income tax on an individual's W-2 wages. It taxes only dividend and interest income. There is no deduction for real property tax payments.

Section amended 2012.

[N.H. Rev. Stat. Ann. § 77:4 \(2019\)](#); see [N.H. Dep't of Rev. Admin., Frequently Asked Questions - Interest & Dividend Tax](#) (last visited Dec. 7, 2019)

### New Hampshire, Federal Deductions

New Hampshire does not have an income tax on an individual's W-2 wages. It taxes only dividend and interest income. There is no deduction for real property tax payments.

Section amended 2012.

[N.H. Rev. Stat. Ann. § 77:4 \(2019\)](#); see [N.H. Dep't of Rev. Admin., Frequently Asked Questions - Interest & Dividend Tax](#) (last visited Dec. 7, 2019)

## New Hampshire, State-Specific Deductions

New Hampshire does not have an income tax on an individual's W-2 wages. It taxes only dividend and interest income. There is no deduction for real property tax payments.

Section amended 2012.

[N.H. Rev. Stat. Ann. § 77:4 \(2019\)](#); see [N.H. Dep't of Rev. Admin., Frequently Asked Questions - Interest & Dividend Tax](#) (last visited Dec. 7, 2019)

## New Jersey

### New Jersey, Exceptions and Notes

#### *Overview*

Property taxes may be deductible on a taxpayer's New Jersey income tax return. A New Jersey homeowner may qualify for either a property tax deduction or a refundable property tax credit.

#### *Income tax property tax deduction or credit*

Homeowners who pay property taxes on their principal residence in New Jersey may qualify for *either a deduction or a refundable credit* on their New Jersey resident income tax return. To determine whether a taxpayer will receive a greater tax benefit by taking the deduction or the credit, he or she must complete Worksheet G contained in the New Jersey Resident Income Tax Return instruction booklet (Form NJ-1040). See **State-Specific Deductions** for details regarding this credit/deduction.

Section 54A:3A-17 amended 2018. Webpages dated 2019; instructions dated 2018.

[N.J. Stat. § 54A:3A-17 \(2019\)](#); [N.J. Dep't of the Treasury, Div. of Tax., \*NJ Income Tax-Deductions\* \(Feb. 14, 2019\)](#), [N.J. Dep't of the Treasury, Div. of Tax., \*NJ Income Tax - Property Tax Deduction/Credit for Homeowners and Tenants\* \(Oct. 18, 2019\)](#); [N.J. Dep't of the Treasury, Div. of Tax., 2018 N.J. Resident Return NJ-1040 Booklet, at 30](#)

## New Jersey, Federal Deductions

New Jersey law sets forth its own provisions regarding deductible state and local taxes. See **State-Specific Deductions** for details.

## New Jersey, State-Specific Deductions

### *Overview*

Property taxes may be deductible on a New Jersey taxpayer's state income tax return. A homeowner may qualify for either a property tax deduction or a refundable property tax credit, as described below.

### *Property tax deduction or credit*

Homeowners who pay property taxes on their principal residence in New Jersey may qualify for *either a deduction or a refundable credit* on their New Jersey resident income tax returns.

To be eligible for a property tax deduction or credit:

- the taxpayer must have been domiciled and maintained a principal residence as a homeowner in New Jersey during the tax year;
- the principal residence must be subject to local property taxes, which must have been paid on that residence; and

- the taxpayer must either (a) have a gross income of more than \$20,000 (\$10,000 if filing status is single or married/CU partner, filing separate return) or (b) be 65 or older, blind, or disabled on the last day of the tax year.

Residents with a gross income of \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return) are eligible for a property tax credit only if they are 65 years of age or older, blind, or disabled on the last day of the tax year.

Starting in tax year 2018, qualified residents may be able to deduct from their gross income the amount of property tax credit up to \$15,000 (\$10,000 for tax years 2017 and before). The tax benefit varies depending on the taxpayer's taxable income, the amount of property taxes paid, and filing status. The minimum benefit is a refundable credit of \$50.

The deduction to a resident taxpayer eligible to receive a homestead property tax reimbursement may not exceed that resident taxpayer's base year property tax liability.

New Jersey's statutes also provide that the following limits apply to a taxpayer who is *not* either (a) 65 years of age or older at the end of the taxable year, or (b) allowed to claim a personal deduction as a blind or disabled taxpayer:

- if the taxpayer's gross income for the taxable year is more than \$250,000, he or she is not allowed the deduction provided by § 54A:3A-17; and
- if taxpayer's gross income for the taxable year is more than \$150,000, but not more than \$250,000, the deduction may not exceed \$5,000.

To determine whether a taxpayer will receive a greater tax benefit by taking the deduction or credit, he or she must complete Worksheet G contained in the New Jersey Resident Income Tax Return instruction booklet (Form NJ-1040).

Section 54A:3A-17 amended 2018. Webpages dated 2019; instructions dated 2018.

[N.J. Stat. § 54A:3A-17 \(2019\)](#); [N.J. Dep't of the Treasury, Div. of Tax., \*NJ Income Tax-Deductions\* \(Feb. 14, 2019\)](#), [NJ Income Tax - Property Tax Deduction/Credit for Homeowners and Tenants \(Oct. 18, 2019\)](#), [NJ Income Tax – Property Tax Deduction/Credit Eligibility Requirements \(Jan. 22, 2019\)](#); [N.J. Dep't of the Treasury, Div. of Tax., \*2018 N.J. Resident Return NJ-1040 Booklet\*, at 30](#)

## New Mexico

### New Mexico, Exceptions and Notes

#### *Overview*

A New Mexico taxpayer's "net income" is determined by subtracting from his or her federal adjusted gross income ("base income"), among other amounts, an amount equal to the federal itemized deductions allowed the taxpayer for the taxpayer's taxable year (less certain amounts not relevant to this survey). That subtracted amount includes the itemized deduction for real property taxes.

New Mexico defines "Internal Revenue Code" as the "United States Internal Revenue Code of 1986, as amended." Note that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

#### *Rebates applied to income taxes (§§ 7-2-14.3 and 7-2-18)*

New Mexico's property tax rebate for both part of the property tax due from low-income taxpayers and property tax due that exceeds an elderly taxpayer's maximum property tax liability may be deducted from the taxpayer's New Mexico income tax liability. If a tax rebate exceeds the taxpayer's income tax liability, the excess is refunded to the taxpayer.

Sections 7-2-14.3 and 7-2-18 amended 2003; § 7-2-2 amended 2014.

[N.M. Stat. §§ 7-2-2\(J\), \(N\)\(2\); -14.3; -18 \(2019\)](#)

### New Mexico, Federal Deductions

New Mexico allows individual taxpayers to claim the same itemized real property tax deduction for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

New Mexico defines "Internal Revenue Code" as the "United States Internal Revenue Code of 1986, as amended." Note that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Section amended 2014.

[N.M. Stat. § 7-2-2\(J\), \(N\)\(2\) \(2019\)](#)

## New Mexico, State-Specific Deductions

There is no state-specific real property tax deduction.

## New York

### New York, Exceptions and Notes

In 2018, New York revised its tax laws to provide that a person's state itemized deduction equals, with certain modifications, the "total amount of his or her deductions from federal adjusted gross income allowed, other than federal deductions for personal exemptions, as provided in the laws of the United States for the taxable year, *as such deductions existed immediately prior to the enactment of Public Law 115-97 [TCJA].*" (Emphasis added.) Therefore, although [26 U.S.C. § 164\(b\)\(6\)](#) provides that for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return), that limit does *not* apply to deductions on New York state tax returns.

However, the total amount of itemized deductions may be reduced based on the taxpayer's filing status and income, as required by § 615(f) and (g).

The state also permits certain taxpayers to claim an income tax *credit* for property taxes paid, as described below.

*New York adjusted gross income of a resident individual (§ 612(b)(33))*

Real property taxes paid on qualified agricultural property are deducted when determining federal adjusted gross income, to the extent the agricultural property tax credit allowed under § 606(n) or (i) is added to federal adjusted gross income.

*Real property tax credit (§ 606)*

A homeowner is entitled to a refundable *credit* if during the tax year:

- his or her household gross income was \$18,000 or less;
- the taxpayer occupied the same New York residence for at least six months and was a New York State resident for the entire tax year;
- the taxpayer could not be claimed as a dependent on another taxpayer's federal income tax return;
- the residence was not completely exempted from real property taxes;
- the current market value of all real property owned was \$85,000 or less;
- the taxpayer or his or her spouse paid real property taxes; and
- any rent received for nonresidential use of the residence was 20 percent or less of the total rent received.

If all members of the household are under 65, the credit may be as much as \$75. If at least one member of the household is 65 or older, the credit may be up to \$375. If the credit is more than the taxes owed, the taxpayer may claim a refund.

To claim the credit, the taxpayer must complete Form IT-214, attach it to his or her return. If an individual is not required to file a New York State income tax return, he or she may claim the credit by filing the claim online or mailing Form IT-214.

### *STAR credit*

The STAR program provides school tax relief to taxpayers by exempting the first \$30,000 of an eligible homeowner's property value from the local school tax levy. Senior citizens with a lower income receive a \$66,800 exemption in 2019.

The STAR program consists of Basic STAR and Enhanced STAR. It applies only to school district taxes, not to county, town or city taxes, except in the cities of New York, Buffalo, Rochester, Yonkers, and Syracuse. In those cities, the exemption is applied partly to city taxes and partly to school taxes. Refund checks are mailed to recipients.

Basic STAR is available for owner-occupied, primary residences where the resident owners' and their spouses' income is \$500,000 or less, and is based on the first \$30,000 of the full value of a home.

Enhanced STAR provides an increased benefit for the primary residences of senior citizens (age 65 and older) with qualifying incomes (\$86,300 or less for 2019 benefits; \$88,050 or less for 2020) and is based on the first \$66,800 of the full value of a home for the 2018-2019 school year (\$68,700 for the 2019-2020 school year).

"Eligibility in 2019 is based on income information from the 2017 tax year.. Eligibility in 2020 is based on income information from the 2018 tax year. Income means federal 'adjusted gross income' minus the 'taxable amount' of total distributions from IRAs (individual retirement accounts and individual retirement annuities)."

### *School district tax reduction credit-cities of one million or more (§ 606)*

A refundable school district tax reduction credit is available to residents of a city with a population of one million or more. The credit applies to homeowners with a household gross income of less than \$250,000 annually. This credit is in addition to any New York State real property tax credit the taxpayer may be eligible to receive.

Sections 606 and 615 amended 2019; § 612 amended 2018.

N.Y. Tax Law §§ 606, 612, 615 (2019); [N.Y. State Dep't of Tax. & Fin., \*Real Property Tax Credit\* \(Dec. 10, 2019\)](#), [STAR Eligibility](#) (Aug. 30, 2019); [Andrew M. Cuomo & Robert F. Mujica, Jr., \*FY 2019 Enacted Budget Financial Plan\* \(May 2018\) at 15, 96.](#)

## New York, Federal Deductions

New York has revised its tax laws to provide that a person's state itemized deduction equals, with certain modifications, the person's federal deductions as they as they existed immediately before the enactment of the TCJA. Therefore, although [26 U.S.C. § 164\(b\)\(6\)](#) provides that for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return), that limit does *not* apply to deductions on New York state tax returns.

However, the total of all itemized deductions is subject to reduction based on income and filing status. See **Exceptions and Notes**.

Section amended 2019.

N.Y. Tax Law § 615 (2019)

## New York, State-Specific Deductions

There is no state-specific real property tax deduction.

## North Carolina

### North Carolina, Exceptions and Notes

A taxpayer calculating North Carolina taxable income may deduct from adjusted gross income either the state's standard deduction amount or an itemized deduction amount based on the amount the taxpayer was allowed under the Internal Revenue Code. The itemized deduction amount generally equals the amount allowed as a deduction under federal law for charitable contributions and medical and dental expenses, plus the following:

[t]he amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount allowed as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year.

References in North Carolina to the federal Internal Revenue Code refer to the code in effect on January 1, 2019. Note that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

This deduction amount for interest and real estate taxes may not exceed \$20,000.

For spouses filing as married filing separately or married filing jointly, the total mortgage interest and real estate taxes claimed by both spouses combined may not exceed \$20,000.

For spouses filing as married filing separately with a joint obligation for mortgage interest and real estate taxes, the spouse who actually paid these amounts may take the deduction. If the amount of the mortgage interest and real estate taxes paid by both spouses exceeds \$20,000, the deductions must be prorated based on the percentage each spouse paid. For joint obligations paid from joint accounts, the proration is based on the income each spouse reported for that taxable year.

Sections amended 2019.

[N.C. Gen. Stat. §§ 105-153.5\(a\)](#) (as amended by [N.C. Sess. Laws 2019-6](#), [2019-237](#), [209-246](#)), - [228.90](#) (as amended by [N.C. Sess. Law 2019-6](#))

## North Carolina, Federal Deductions

A taxpayer calculating North Carolina taxable income may deduct from adjusted gross income either the state's standard deduction or an itemized deduction amount based on the amount the taxpayer was allowed under the Internal Revenue Code. The itemized deduction amount equals the amount allowed as a deduction under federal law for charitable contributions and medical and dental expenses, plus the following:

[t]he amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount allowed as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year.

References in North Carolina to the federal Internal Revenue Code refer to the code in effect on January 1, 2019. Note that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

The total deduction amount for interest and real property taxes may not exceed \$20,000.

Sections amended 2019.

[N.C. Gen. Stat. §§ 105-153.5\(a\)](#) (as amended by [N.C. Sess. Laws 2019-6](#), [2019-237](#), [2019-246](#)), - [228.90](#) (as amended by [N.C. Sess. Law 2019-6](#))

## North Carolina, State-Specific Deductions

The state limits the mortgage interest and real property tax portion of the itemized deduction amount to no more than \$20,000. See **Exceptions and Notes** for details.

Section amended 2019.

[N.C. Gen. Stat. §§ 105-153.5\(a\)](#) (as amended by [N.C. Sess. Laws 2019-6, 2019-237, 2019-246](#))

## North Dakota

### North Dakota, Exceptions and Notes

North Dakota allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return with some adjustments that are not relevant here. "North Dakota taxable income" is defined to mean the federal taxable income of an individual (which is arrived at after subtracting the federal itemized deductions, including a deduction for real property tax payments). The state statute references the "Internal Revenue Code of 1986, as amended" as the applicable version of the code.

Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

**Note:** For married couples filing jointly, their North Dakota taxable income is reduced by, among other items, "an amount equal to the excess of the recomputed itemized deductions or standard deduction over the amount of the itemized deductions or standard deduction deducted in computing federal taxable income." If the couple elected to deduct itemized deductions in computing their federal taxable income even though the amount of the allowable standard deduction is greater, this reduction is not allowed.

Section amended 2017.

[N.D. Cent. Code § 57-38-30.3 \(2019\)](#)

### North Dakota, Federal Deductions

North Dakota allows an individual taxpayer to claim the same itemized real property tax deduction for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return.

North Dakota conforms with the federal Internal Revenue Code, as amended. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

Section amended 2017.

[N.D. Cent. Code § 57-38-30.3 \(2019\)](#)

## North Dakota, State-Specific Deductions

There is no state-specific real property tax deduction.

## Ohio

### Ohio, Exceptions and Notes

In Ohio, a taxpayer's state personal income tax is based on his or her federal adjusted gross income. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before itemized deductions are subtracted. There is no state-specific deduction for real property taxes. Accordingly, Ohio does not allow any deduction for real property taxes on its state income taxes.

Section amended 2019.

[Ohio Rev. Code § 5747.01 \(2019\)](#)

### Ohio, Federal Deductions

Ohio state personal income tax is based on the taxpayer's federal adjusted gross income, as adjusted. None of the adjustments includes a deduction for real property tax payments.

Section amended 2019.

[Ohio Rev. Code § 5747.01 \(2019\)](#)

## Ohio, State-Specific Deductions

There is no state-specific real property tax deduction.

## Oklahoma

### Oklahoma, Exceptions and Notes

#### *Overview*

An Oklahoma taxpayer may use his or her federal itemized deductions, as adjusted, to arrive at Oklahoma taxable income. However, starting with the 2018 tax year, Oklahoma's itemized deductions, which do not include state and local sales or income taxes, are capped at \$17,000, excluding charitable contributions and medical expenses.

Taxpayers itemizing their deductions use Schedule 511-D to determine Oklahoma's itemized deduction amount. Because the calculation starts with the federal itemized deduction, the amount of property taxes included may be limited by the TCJA. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the state's itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

If a person claims itemized deductions on his or her federal return, he or she must claim itemized deductions on their Oklahoma return.

The state also permits certain taxpayers to claim an income tax *credit* for property taxes, as described below.

#### *Credit against state income taxes*

Certain Oklahoma residents are allowed a residential real estate property tax *credit* against their state income taxes. A person may file a claim and include a credit against his or her income tax if the taxpayer:

- is 65 years of age or older or a totally disabled person who is the head of a household;
- is a resident of and domiciled in Oklahoma during the entire preceding calendar year; and
- has a gross household income not greater than \$12,000.

The credit may not exceed \$200.

Section 2353 amended 2013; § 2358 amended 2019. Regulation amended 2019.

[Okla. Stat. tit. 68, §§ 2353, 2358 \(2019\)](#); [Okla. Admin. Code § 710:50-15-50\(a\) \(2019\)](#); [Okla. Tax Comm'n, 2019 Oklahoma Resident Individual Income Tax Forms and Instructions \(2019\), at 6](#); [Okla. Tax Comm'n, General Information \(last visited Dec. 8, 2019\)](#)

## Oklahoma, Federal Deductions

An Oklahoma taxpayer may use his or her federal itemized deductions, as adjusted, to arrive at Oklahoma taxable income. To arrive at the number for Oklahoma's itemized deductions, a person must first adjust his or her federal itemized deductions by adding back state and local sales or income taxes. Then, starting with the 2018 tax year, Oklahoma caps those itemized deductions at \$17,000, excluding charitable contributions and medical expenses.

Because the state's calculation starts with the federal itemized deduction, the amount of property taxes included may be limited by the TCJA. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the state's itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

Statutory sections amended 2019. Regulation amended 2019.

[Okla. Stat. tit. 68, §§ 2353, 2358 \(2019\)](#); [Okla. Admin. Code § 710:50-15-50\(a\) \(2019\)](#)

## Oklahoma, State-Specific Deductions

There is no state-specific real property tax deduction.

## Oregon

### Oregon, Exceptions and Notes

Oregon state taxable income is calculated by starting with the taxpayer's federal taxable income, which is then modified pursuant to state tax law. If in computing federal taxable income for a tax year, the taxpayer deducted itemized deductions, the amount of the itemized deductions is first added to the taxpayer's federal taxable income, less an amount, if any, by which the itemized deductions are reduced under [26 U.S.C. § 68](#) of the Code. Then the larger of the Oregon standard deduction or the taxpayer's federal itemized deductions (reduced if applicable under § 68 of the Code) are subtracted from federal taxable income. There is no specific adjustment to the itemized deduction amount taken on the federal return or taxable income modification related to real property tax payments.

As amended in 2019, Oregon law provides that any reference in chapter 316 to the Internal Revenue Code refers to the Internal Revenue Code as amended and in effect on December 31, 2018, or if related to the definition of taxable income, as applicable to the tax year of the taxpayer.. Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return).Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

Note that Oregon now has a [schedule OR-A](#) for reporting "net Oregon itemized deductions." The state's Tax Guide provides that a person itemizing deductions for Oregon should include Schedule OR-A with his or her Oregon return whether or not the person is itemizing deductions on his or her federal return. The guide states, "You still use federal definitions and AGI to figure any itemized deduction limitations. For more information, see the instructions for Schedule OR-A."

Section 316.695 amended 2015; § 316.680 amended 2018; § 316.012 amended 2019. Tax Guide dated 2018.

[Or. Rev. Stat. §§ 316.680, .695\(1\), .012](#) (as amended by [2019 Or. Laws ch. 319, § 20](#)) (2017); [Ore. Dep't of Rev., 2018 Oregon Publication OR-17 Individual Income Tax Guide \(Dec. 2018\) at 92.](#)

## Oregon, Federal Deductions

Oregon allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. The state's tax calculations start with federal taxable income, which is determined after any applicable deductions. Although state law adjusts the taxable income and applicable deductions, there are no specific adjustment to the itemized deduction amount taken on the federal return or taxable income modification related to real property tax payments.

As amended in 2019, Oregon law provides that any reference in chapter 316 to the Internal Revenue Code refers to the Internal Revenue Code as amended and in effect on December 31, 2018, or if related to the definition of taxable income, as applicable to the tax year of the taxpayer. That version of the Code provides that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but it is subject to the \$10,000 (or \$5,000, if applicable) cap.

See **Exceptions and Notes** for additional information regarding possible limitations.

Section 316.695 amended 2015; § 316.680 amended 2018; § 316.012 amended 2019. Tax Guide dated 2018.

[Or. Rev. Stat. §§ 316.680, .695\(1\), .012](#) (as amended by [2019 Or. Laws 319, § 20](#)) (2017); [Ore. Dep't of Rev., 2018 Oregon Publication OR-17 Individual Income Tax Guide \(Dec. 2018\) at 92.](#)

## Oregon, State-Specific Deductions

There is no state-specific real property tax deduction.

## Pennsylvania

### Pennsylvania, Exceptions and Notes

Pennsylvania personal income taxes are calculated based on gross compensation. Therefore, Pennsylvania does not allow most itemized deductions from adjusted gross income permitted under federal law, including a deduction for taxes paid.

[Pa. Dep't of Rev., \*Deductions and Credits: Federal Deductions and Exemptions Not Allowed For Pennsylvania Tax Purposes\* \(last visited Dec. 10, 2019\)](#)

## Pennsylvania, Federal Deductions

Pennsylvania does not allow a deduction for taxes paid; gross compensation is taxed.

[Pa. Dep't of Rev., \*Deductions and Credits: Federal Deductions and Exemptions Not Allowed For Pennsylvania Tax Purposes\* \(last visited Dec. 10, 2019\)](#)

## Pennsylvania, State-Specific Deductions

There is no state-specific real property tax deduction.

## Puerto Rico

### Puerto Rico, Exceptions and Notes

Puerto Rico individual taxpayers have the option of selecting a fixed standard deduction or itemizing deductions. Although a territorial-specific itemized deduction for individuals includes amounts such as mortgage interest on residential property, interest paid to cooperative housing association, charitable contributions, and medical expenses, among others, Puerto Rico law does not list a specific deduction for real property taxes. However, taxes are excluded when computing net income in certain situations. See **State-Specific Deductions** for details regarding the treatment of real property taxes.

**Important Note:** On December 10, 2018, Puerto Rico's governor signed Act 257 (H.B. 1544) into law. The act makes significant changes to the Puerto Rico Internal Revenue Code of 2011. Text of the act is not readily available at the time of this update on December 12, 2018. A link to the text in Spanish should become available through the [C1544 legislation website](#) or the [list of 2018 Puerto Rico Laws](#). Although research into earlier versions of the bill located no reference to property tax deductions, the legislation is broad and could contain provisions that affect an individual's deductions.

Sections 30104 and 30124 amended 2011; § 30135 amended 2017.

P.R. Laws tit. 13, §§ 30104, 30124, 30135 (as amended by [2015 P.R. Laws chs. 24, 72](#) and [2017 P.R. Laws ch. 78](#) (amendments noted on Westlaw, but not readily available in English or incorporated into the English translation of the statute)) (LexisNexis 2018); [Commonwealth of Puerto Rico Dep't of the Treasury, \*Individual Income Tax Return \(2019\)\*](#)

## Puerto Rico, Federal Deductions

The federal real property tax deduction is not copied over.

## Puerto Rico, State-Specific Deductions

Puerto Rico individual taxpayers have the option of selecting a fixed standard deduction or itemizing deductions.

Although a territorial-specific itemized deduction for individuals includes amounts such as mortgage interest on residential property, interest paid to cooperative housing association, charitable contributions, and medical expenses, among others, Puerto Rico law does not list a specific deduction on individual tax returns for real property taxes. However, as provided in § 30124, taxes may be deductible when computing net income. Section 30124 provides that the following are deductible:

In the case of a taxpayer *other than an individual*, taxes paid or accrued within the taxable year, except . . . taxes assessed for local benefits of a kind tending to increase the value of the property assessed; but this clause shall not exclude the allowance as a deduction of so much of such taxes as is properly allocable to maintenance or interest charges. . . . (Emphasis added.)

Schedule A, "Deductions Applicable to Individual Taxpayers," does not include a deduction for property taxes. However, the following forms provide that real property taxes are an expense allowable against the alternate basic tax:

- "Schedule K Individual, Industry or Business Income";
- "Schedule L Individual, Farming Income";

- "Schedule M Individual, Professions and Commissions Income"; and
- "Schedule N Individual, Rental Income."

Puerto Rico also provides that the following deductions are allowed when computing net income:

- certain expenses related to trade or business that have not been claimed as a deduction from adjusted gross income;
- certain expenses not related to the trade or the main business;
- interest, as provided in § 30123; and
- taxes, as provided in § 30124 (which, as noted above, addresses only taxpayers other than an individual).

**Important Note:** On December 10, 2018, Puerto Rico's governor signed Act 257 (H.B. 1544) into law. The act makes significant changes to the Puerto Rico Internal Revenue Code of 2011. Text of the act is not readily available at the time of this update on December 12, 2018. A link to the text in Spanish should become available through the [C1544 legislation website](#) or on the [list of 2018 Puerto Rico Laws](#). Although research into earlier versions of the bill located no reference to property tax deductions, the legislation is broad and could contain provisions that affect an individual's deductions.

Sections 30104 and 30124 amended 2011; § 30135 amended 2017.

P.R. Laws tit. 13, §§ 30104, 30124, 30135 (as amended by [2015 P.R. Laws chs. 24, 72](#) and [2017 P.R. Laws ch. 78](#) (amendments noted on Westlaw, but not readily available in English or incorporated into the English translation of the statute)) (LexisNexis 2019); [Commonwealth of Puerto Rico Dep't of the Treasury, Individual Income Tax Return \(2019\)](#)

## Rhode Island

### Rhode Island, Exceptions and Notes

#### Overview

"Rhode Island taxable income" means federal adjusted gross income, as defined in [26 U.S.C. § 62](#), after modifications not relevant here, less the amount of the Rhode Island basic standard deduction and personal exemptions. The standard deduction amount depends on filing status and income, and the exemption amount varies according to income and, for tax years starting on or after 2018, means the federal exemption amount before the enactment of the TCJA. Rhode Island does not provide for an itemized deduction related to real property tax payments.

However, certain taxpayers may qualify for a property tax *credit* against his or her income tax liability, as described below.

#### *Property tax relief (§ 44-33-9)*

A homeowner, sixty-five years of age or older, and/or disabled, who was domiciled in Rhode Island for the entire calendar year for which he or she files a claim for property tax relief may claim a *credit* against his or her income tax liability equal to the amount by which the property taxes accrued on the claimant's homestead for the taxable year exceeds a specified percentage of the claimant's total household income for that year. The percentages, which are based on both income level and household size, range from three percent for a household with an income of less than \$6000 to six percent for a household with an income that ranges from \$15,001-\$30,000. The maximum credit, which varies from year to year, was \$365 in 2018.

Section 44-33-9 amended 2006; § 44-30-2.6 amended 2018; § 44-33-3 amended 2014.  
Form dated 2018.

[R.I. Gen. Laws §§ 44-30-2.6\(c\)\(3\), -33-3, -33-9 \(2019\); R.I. Dep't of Rev., Div. of Tax., 2017 Form RI-1040H \(Oct. 2018\)](#)

## Rhode Island, Federal Deductions

For the 2011 tax year and thereafter, Rhode Island taxpayers may claim only the Rhode Island standard deduction amount for state income tax purposes. Itemized deductions are no longer allowed.

Section amended 2018.

[R.I. Gen. Laws § 44-30-2.6\(c\)\(3\) \(2019\)](#)

## Rhode Island, State-Specific Deductions

There is no state-specific real property tax deduction.

## South Carolina

### South Carolina, Exceptions and Notes

For South Carolina income tax purposes, gross income, adjusted gross income, and taxable income are as calculated under the Internal Revenue Code, as modified. None of the state's modifications are relevant to the real property tax deduction. The deduction for taxes permitted by [26 U.S.C. § 164](#) is computed in the same manner as provided in § 164, except there is no deduction for taxes measured with respect to net income.

As used in South Carolina's tax laws, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 2018. The TCJA was signed on December 22, 2017, and became effective on January 1, 2018. The South Carolina Revenue and Fiscal Affairs Office, analyzing then pending legislation, confirmed that if the federal conformity date is set at February 9, 2018, South Carolina's taxes will be affected because "itemized deductions are adjusted to limit the deduction for taxes paid to up to \$10,000 of property taxes."

Section 12-6-1130 amended 2007; § 12-6-40 amended 2019; § 12-6-1110 amended 2018.  
Document dated 2018.

[S.C. Code Ann. §§ 12-6-40, -1110, -1130 \(2019\); S.C. Rev. & Fiscal Affairs Office, \*Statement of Estimated Fiscal Impact\* \(Apr. 30, 2018\) at 3.](#)

## South Carolina, Federal Deductions

For South Carolina income tax purposes, gross income, adjusted gross income, and taxable income are as calculated under the Internal Revenue Code, as modified. None of the state's modifications are relevant to the real property tax deduction. Therefore, the federal real property tax deduction is applied when determining a taxpayer's state tax liability.

Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 2018. Thus, the deduction for property taxes is affected by the TCJA because the allowed state and local tax deduction will be limited to \$10,000.

Section 12-6-1130 amended 2007; § 12-6-40 amended 2019; § 12-6-1110 amended 2018.  
Document dated 2018.

[S.C. Code Ann. §§ 12-6-40, -1110, -1130 \(2019\); S.C. Rev. & Fiscal Affairs Office, \*Statement of Estimated Fiscal Impact\* \(Apr. 30, 2018\) at 3.](#)

## South Carolina, State-Specific Deductions

There is no state-specific real property tax deduction.

## South Dakota

### South Dakota, Exceptions and Notes

South Dakota residents are not subject to a state personal income tax. See [S.D. Dep't of Revenue, \*Business Tax Division\* \(last visited Dec. 7, 2019\)](#).

### South Dakota, Federal Deductions

South Dakota residents are not subject to a state personal income tax. See [S.D. Dep't of Revenue, \*Business Tax Division\* \(last visited Dec. 7, 2019\)](#).

### South Dakota, State-Specific Deductions

South Dakota residents are not subject to a state personal income tax. See [S.D. Dep't of Revenue, Business Tax Division \(last visited Dec. 7, 2019\)](#).

## Tennessee

### Tennessee, Exceptions and Notes

Tennessee does not impose a tax on income from salaries or wages. It only taxes dividend and interest income over \$1250 for persons filing individual returns and over \$2500 for persons filing jointly, as adjusted for inflation beginning January 1, 2016. This tax is fully repealed for any tax year that begins on or after January 1, 2021. There is no real property tax deduction.

Statutes amended 2017; guidance dated 2019.

Tenn. Code Ann. §§ 67-2-102, -104 (LexisNexis 2019); [Tenn. Dep't of Rev., 2019 Guidance for Tennessee's Hall Income Tax Return \(last visited Dec. 7, 2019\)](#)

### Tennessee, Federal Deductions

Tennessee does not impose a tax on income from salaries or wages. It only taxes dividend and interest income. This tax is fully repealed for any tax year that begins on or after January 1, 2021. There is no real property tax deduction.

Section 67-2-102 amended 2017; guidance dated 2019.

Tenn. Code Ann. § 67-2-102 (LexisNexis 2019); [Tenn. Dep't of Rev., 2019 Guidance for Tennessee's Hall Income Tax Return \(last visited Dec. 7, 2019\)](#)

### Tennessee, State-Specific Deductions

Tennessee does not impose a tax on income from salaries or wages. It only taxes dividend and interest income. This tax is fully repealed for any tax year that begins on or after January 1, 2021. There is no real property tax deduction.

Section 67-2-102 amended 2017; guidance dated 2019.

Tenn. Code Ann. § 67-2-102 (LexisNexis 2019); [Tenn. Dep't of Rev., 2019 Guidance for Tennessee's Hall Income Tax Return](#) (last visited Dec. 7, 2019)

## Texas

### Texas, Exceptions and Notes

Texas residents are not subject to a state personal income tax. [Tex. Comptroller of Public Accounts, A Field Guide to the Taxes of Texas](#) (Mar. 2019) at 5.

### Texas, Federal Deductions

Texas residents are not subject to a state personal income tax. [Tex. Comptroller of Public Accounts, A Field Guide to the Taxes of Texas](#) (Mar. 2019) at 5.

### Texas, State-Specific Deductions

Texas residents are not subject to a state personal income tax. [Tex. Comptroller of Public Accounts, A Field Guide to the Taxes of Texas](#) (Mar. 2019) at 5.

## Utah

### Utah, Exceptions and Notes

#### *Overview*

A taxpayer's federal itemized deductions, including the real property tax deduction, are not subtracted from adjusted gross income for Utah income tax purposes, but instead are used to calculate a credit against the state income tax.

#### *Credit*

A Utah taxpayer may be allowed a credit against his or her Utah income tax based on the total of his or her exemptions and adjusted federal itemized or standard deductions. The credit phases out for incomes over a specific amount, based on the taxpayer's filing status.

Generally, for a claimant that deducts the standard deduction on his or her federal individual income tax return, the state tax credit is equal to the sum of:

- six percent of the amount the claimant deducts as the standard deduction on the claimant's federal individual income tax return for that taxable year; plus
- six percent of the claimant's Utah personal exemption.

For a claimant that itemizes deductions on his or her federal individual income tax return for the taxable year, the sum of

- six percent of the claimant's Utah itemized deduction; and
- six percent of the claimant's Utah personal exemption.

The tax credit is reduced by \$.013 for each dollar by which a claimant's state taxable income exceeds specified income amounts, which are adjusted annually.

Therefore, although the itemized deduction for real property taxes is copied over from the federal return, it is used to calculate a tax credit rather than the taxable income.

Section amended 2018. Webpage history unknown.

[Utah Code § 59-10-1018 \(2019\); Utah State Tax Comm'n, \*Taxpayer Tax Credit\* \(last visited Dec. 8, 2019\)](#)

## Utah, Federal Deductions

A taxpayer's federal itemized deductions, including the real property tax deduction, are not subtracted from adjusted gross income for Utah state income tax purposes, but instead are used to calculate a credit against the Utah individual income tax. See **Exceptions and Notes** for details regarding this credit.

Webpage history unknown.

[Utah State Tax Comm'n, \*Taxpayer Tax Credit\* \(last visited Dec. 8, 2019\)](#)

## Utah, State-Specific Deductions

There is no state-specific real property tax deduction.

## Vermont

### Vermont, Exceptions and Notes

In 2017, the Vermont legislature amended the state's laws so that the state's tax calculation began with the taxpayer's federal adjusted gross income instead of his or her federal taxable income. At that time, the state also allowed essentially the same itemized deductions and exemptions as on the federal tax return.

However, the state legislature significantly revised Vermont's tax laws during the 2018 Special Session, and federal itemized deductions will no longer flow through to Vermont's tax return.

Section amended 2019.

[Vt. Stat. Ann. tit. 32, § 5811\(21\)](#) (as amended by [2019 Vt. Acts. No 71, §§ 1, 2](#)); [Vt. Dep't of Taxes, \*2018 Vermont Income Tax Guide for Tax Practitioners\* \(Aug. 2018\)](#)

### Vermont, Federal Deductions

Starting in 2018, federal itemized deductions will no longer flow through to Vermont's tax return.

Section amended 2018.

[Vt. Stat. Ann. tit. 32, § 5811\(21\)](#) (2019); [Vt. Dep't of Taxes, \*2018 Vermont Income Tax Guide for Tax Practitioners\* \(Aug. 2018\)](#)

### Vermont, State-Specific Deductions

There is no state-specific real property tax deduction.

## Virgin Islands

### Virgin Islands, Exceptions and Notes

The Internal Revenue Code applies in the Virgin Islands under a "mirror system" whereby the "Virgin Islands" is substituted for the "United States" wherever necessary to give the Code the proper effect in the Virgin Islands, and vice versa. Accordingly, the itemized deductions available under federal tax law, including the real property tax deduction, are also available under the tax law of the U.S. Virgin Islands.

Pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

[V.I. Bureau of Internal Revenue, Tax Structure Booklet of the U.S. Virgin Islands, at 5 \(last visited Dec. 10, 2019\)](#)

### Virgin Islands, Federal Deductions

The itemized deductions available under federal tax law are available under the U.S. Virgin Islands' territorial tax law, including the real property tax deduction. See **Exceptions and Notes**.

Note that pursuant to [26 U.S.C. § 164\(b\)\(6\)](#), for taxable years beginning after December 31, 2017, and before January 1, 2026, the total of real property taxes, personal property taxes, state income and other specified taxes, and sales taxes on an individual's federal return may not exceed \$10,000 (\$5,000 for a married individual filing a separate return). Therefore, for the 2018 tax year and beyond, the itemized deduction may include a real property tax deduction, but that deduction is subject to a \$10,000 (or \$5,000, if applicable) cap.

[V.I. Bureau of Internal Revenue, Tax Structure Booklet of the U.S. Virgin Islands, at 5 \(last visited Dec. 10, 2019\)](#)

### Virgin Islands, State-Specific Deductions

There is no territorial-specific real property tax deduction.

## Virginia

## Virginia, Exceptions and Notes

Virginia allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. Virginia's individual income tax instructions note, "Property and other taxes included as deductions on your federal return are also allowed on your Virginia return."

As amended in 2018, § 58.1-301 provided that references to the federal laws related to federal income taxes means "the provisions of the Internal Revenue Code of 1954, and amendments thereto, . . . as they existed on February 9, 2018, except for . . . [t]he provisions of the Tax Cuts and Jobs Act . . . enacted December 22, 2017, as Public Law 115-97." Although this appeared to decouple Virginia's tax laws from the limits set by the TCJA, line 5e of the Virginia's 2018 Schedule A for itemized deductions clearly limited the state and local taxes deduction, which includes real estate taxes, to \$10,000 (\$5,000 if married filing separately).

However, in 2019 the Legislature clarified the law, providing that for "taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code," may be deducted from Virginia adjusted gross income in computing Virginia taxable income pursuant to § [58.1-322](#),

Sections amended 2019.

[Va. Code Ann. §§ 58.1-301, -322, -322.03\(1\)\(a\) \(2019\)](#); compare [Va. Dep't of Taxation, 2018 Virginia Schedule A Itemized Deductions \(Oct. 2018\)](#); with [Va. Dep't of Taxation, 2019 Virginia Schedule A Itemized Deductions \(Sept. 2019\)](#)

## Virginia, Federal Deductions

Virginia allows individual taxpayers to claim the same itemized real property tax deduction amount for state income tax purposes as the taxpayer claimed for the same tax year on his or her federal income tax return. Virginia's individual income tax instructions note, "Property and other taxes included as deductions on your federal return are also allowed on your Virginia return."

As amended in 2018, § 58.1-301 provided that references to the federal laws related to federal income taxes means "the provisions of the Internal Revenue Code of 1954, and amendments thereto, . . . as they existed on February 9, 2018, except for . . . [t]he provisions of the Tax Cuts and

Jobs Act . . . enacted December 22, 2017, as Public Law 115-97." Although this appeared to decouple Virginia's tax laws from the limits set by the TCJA, line 5e of the Virginia's 2018 Schedule A for itemized deductions clearly limited the state and local taxes deduction, which includes real estate taxes, to \$10,000 (\$5,000 if married filing separately).

However, in 2019 the Legislature clarified the law, providing that for "taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code," may be deducted from Virginia adjusted gross income in computing Virginia taxable income pursuant to § [58.1-322](#),

Sections amended 2019.

[Va. Code Ann. §§ 58.1-301, -322, -322.03\(1\)\(a\) \(2019\)](#); compare [Va. Dep't of Taxation, 2018 Virginia Schedule A Itemized Deductions \(Oct. 2018\)](#); with [Va. Dep't of Taxation, 2019 Virginia Schedule A Itemized Deductions \(Sept. 2019\)](#)

## Virginia, State-Specific Deductions

There is no state-specific real property tax deduction.

## Washington

### Washington, Exceptions and Notes

Washington residents are not subject to a state personal income tax. [Wash. Dep't of Revenue, Income Tax \(last visited Dec. 7, 2019\)](#).

### Washington, Federal Deductions

Washington residents are not subject to a state personal income tax. [Wash. Dep't of Revenue, Income Tax \(last visited Dec. 7, 2019\)](#).

### Washington, State-Specific Deductions

Washington residents are not subject to a state personal income tax. [Wash. Dep't of Revenue, Income Tax \(last visited Dec. 7, 2019\)](#).

## West Virginia

### West Virginia, Exceptions and Notes

## Overview

West Virginia does not allow a deduction for real property tax payments. "The State of West Virginia does not recognize itemized deductions for personal income tax purposes. Consequently, itemized deductions claimed on the federal income tax return cannot be carried to the West Virginia return."

However, personal income tax *credits* related to real property taxes are available to certain low-income taxpayers. A qualified taxpayer must file a state income tax return in order to receive a refundable credit, even if the taxpayer is not required to file a federal return.

### *Homestead Excess Property Tax Credit (§ 11-21-23)*

A homeowner living in his or her homestead is eligible for a refundable *credit* against his or her income taxes equal to the amount of real property taxes paid in excess of four percent of the gross household income. The homeowner must deduct the credit authorized by § 11-21-21 from his or her real property taxes paid before determining whether the remaining amount exceeds four percent of the taxpayer's gross household income for the tax year. If the refundable credit exceeds the person's income taxes, the state tax department refunds the difference to the homeowner.

A person who is required to pay the federal alternative minimum income tax may not receive this credit. The maximum refundable tax credit is \$1000.

Only a low-income person may claim this tax credit. In this context, "low income" means a federal adjusted gross income that is no more than 300 percent of the federal poverty guideline for the year in which property tax was paid, based on the number of family members residing in the homestead.

### *Senior citizens' income tax credit for homestead property taxes (§ 11-21-21)*

A low-income person who qualifies for a \$20,000 homestead exemption for property tax purposes is also allowed a refundable *credit* against his or her income taxes. The credit equals the

property taxes paid on the homestead's first \$20,000 of taxable assessed value. A person who is required to pay the federal alternative minimum income tax may not receive this tax credit.

In this context, "low income" means a federal adjusted gross income that is no more than 150 percent of the federal poverty guideline, based on the number of family members residing in the homestead. In 2018, this income limit was \$18,210 for a single person, plus \$6480 for each additional person in the household.

Taxpayers must calculate this credit before calculating the credit provided by § 11-21-23.

Sections 11-21-21 and 11-21-23 amended 2011. Instructions dated 2018.

[W. Va. Code §§ 11-21-21, -23 \(2019\); W.V. Dep't of Revenue, 2018 West Virginia Personal Income Tax Forms and Instructions \(2017\), at 16](#)

## West Virginia, Federal Deductions

West Virginia does not allow a deduction for real property tax payments. "The State of West Virginia does not recognize itemized deductions for personal income tax purposes. Consequently, itemized deductions claimed on the federal income tax return cannot be carried to the West Virginia return."

Instructions dated 2018.

[W.V. Dep't of Revenue, 2018 West Virginia Personal Income Tax Forms and Instructions \(2018\), at 16](#)

## West Virginia, State-Specific Deductions

There is no state-specific real property tax deduction.

## Wisconsin

### Wisconsin, Exceptions and Notes

*Overview*

Wisconsin's state tax is determined using the taxpayer's federal adjusted gross income, as modified by state law. The Internal Revenue Code, in [26 U.S.C. § 62](#), defines adjusted gross income as calculated before the itemized deduction for real property taxes is subtracted, and none of the state's modifications include a property tax deduction. Therefore, Wisconsin taxpayers may not use the federal real property tax deduction to reduce their adjusted gross income.

Also, Wisconsin's "itemized deduction credit," which may be applied against tax liability if the total of certain federal itemized deductions exceeds a taxpayer's Wisconsin standard deduction, explicitly does not include real property taxes deducted pursuant to [26 U.S.C. § 164](#).

However, Wisconsin does allow certain Wisconsin residents residential real estate property tax *credits* against their state income taxes, as described below.

*Income tax credit based on low-income residents' property taxes (§§ 71.53, .54)*

A qualified claimant may claim property taxes accrued as a *credit* against Wisconsin income taxes. If the allowable claim amount exceeds the income taxes due, the amount not used as an offset is paid to the claimant. An individual may also claim the state's homestead credit as a credit against income taxes due.

A claimant must be domiciled in Wisconsin during the entire calendar year. The credit amount relates to the claimant's "household income," which includes all income received by all household members, less \$500 for each of the claimant's dependents who live at the claimant's principal abode for more than six months during the year. As of 2012, the claim amount is limited as follows:

- if the household income was \$8060 or less, the claim is limited to 80 percent of the property taxes accrued on the claimant's homestead; and
- if the household income was more than \$8060, the claim is limited to 80 percent of the amount by which the property taxes accrued on the claimant's homestead exceeds 8.785 percent of the household income exceeding \$8060.

No credit is allowed if a claimant's household income exceeds \$24,680.

For claims filed in 2018 and thereafter and based on property taxes accrued or rent constituting property taxes accrued during the previous year, no credit may be allowed unless the claimant or the claimant's spouse is over the age of 61 at the close of the year to which the claim relates or unless the claimant is disabled. For such claims filed in 2018 and thereafter, with regard to a claimant who is not disabled or who is under the age of 62 at the close of the year to which the claim relates, no credit may be allowed if the claimant had no earned income in the taxable year to which the claim relates.

*Veterans' and their surviving spouses' property tax credit (§ 71.07(6e))*

A qualified veteran or his or her surviving spouse may claim property taxes as a *credit* against his or her state income tax. If the allowable claim amount exceeds the income taxes due, the claim amount not used to offset income taxes is paid to the claimant. This credit is not permitted if the individual, or the individual's spouse, files a claim for other specified tax relief.

The claimant may be an eligible unremarried surviving spouse, an eligible veteran, or an eligible spouse who files a claim. An "eligible veteran" means an individual who the Department of Veterans' Affairs verifies:

- has served on active duty under honorable conditions in the "U.S. armed forces or in forces incorporated in the U.S. armed forces";
- was a Wisconsin resident when he or she entered active service or had been a Wisconsin resident for any consecutive five-year period after entering service;
- is currently a Wisconsin resident for purposes of receiving veterans' benefits; and
- has either a service-connected disability rating of 100 percent pursuant to federal law or a 100-percent disability rating based on individual unemployability.

If an individual claims the veterans and surviving spouses property tax credit, neither the veteran nor his or her spouse may claim the school property tax credit, homestead credit, or farmland preservation credit.

*School property tax credit against income taxes (§ 71.07(9))*

A claimant generally may claim a portion of his or her property taxes as a *credit* against his or her income taxes. For taxable years beginning after December 31, 1999, and subject to specified limitations, a claimant may claim as a credit against income taxes the following:

- 12 percent of the first \$2500 of property taxes; or
- 12 percent of the first \$1250 of property taxes of a married person filing separately.

A homeowner may claim this credit if he or she paid property taxes during 2014 on his or her home. A taxpayer is eligible for a credit whether or not he or she claimed a homestead credit on line 45. However, the taxpayer may not claim the school property tax credit if the taxpayer or his or her spouse claimed the veterans and surviving spouses property tax credit.

*Farmland tax relief income tax credit (§§ 71.07(3m), 71.613)*

An owner of farmland that meets specified qualifications is eligible for an income tax *credit* based on a percentage of the property taxes accrued. A claimant generally may claim as a credit against income tax, an amount calculated by multiplying the claimant's qualifying acres by the following:

- \$10, if the qualifying acres are located in a farmland preservation zoning district and subject to a farmland preservation agreement entered into after July 1, 2009;
- \$7.50, if the qualifying acres are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement entered into after July 1, 2009; or

- \$5, if the qualifying acres are subject to a farmland preservation agreement that is entered into after July 1, 2009, but are not located in a farmland preservation zoning district.

Maximum credit amounts may apply during specified fiscal years, and if the total amount of eligible claims exceeds the maximum, the excess claims will "be paid in the next succeeding fiscal year to ensure that the limit specified . . . is not exceeded."

Section 71.53 amended 1999; § 71.613 amended 2017; § 71.07 amended 2019; § 71.54 amended 2018. Instructions and form dated 2019.

[Wis. Stat. §§ 71.07, .53, .54 .613 \(2019\)](#); [Wis. Dep't of Rev., Wisconsin Income Tax Form 1 Instructions 2017](#); [see Wis. Form 1, Schedule 1 \(Nov. 2019\)](#)

## Wisconsin, Federal Deductions

Wisconsin taxpayers may not use the federal real property tax deduction to reduce adjusted gross income. Also, Wisconsin's "itemized deductions credit," which may be applied against tax liability if the total of certain federal itemized deductions exceeds a taxpayer's Wisconsin standard deduction, does not include real property taxes.

Statutory section amended 2019; Forms date Nov. 2019.

[Wis. Stat. § 71.07 \(2019\)](#); [see Wis. Dep't of Revenue, Wisconsin Income Tax Form 1 Instructions 2019, pp. 33-35](#); [Wis. Dep't of Rev., Wisconsin Form 1, Schedule 1 \(2019\)](#)

## Wisconsin, State-Specific Deductions

There is no state-specific real property tax deduction.

## Wyoming

### Wyoming, Exceptions and Notes

Wyoming residents are not subject to a state personal income tax. [Bankrate, State Taxes: Wyoming \(last visited Dec. 7, 2019\)](#).

### Wyoming, Federal Deductions

Wyoming residents are not subject to a state personal income tax. [Bankrate, State Taxes: Wyoming \(last visited Dec. 7, 2019\)](#)

### Wyoming, State-Specific Deductions

Wyoming residents are not subject to a state personal income tax. [Bankrate, State Taxes: Wyoming \(last visited Dec. 7, 2019\)](#)