

Bill Number: H.B. No. ____

Author/Sponsor: _____

Session: 119th Congress, 2025–2026

Title (Caption)

An Act relating to providing targeted property and income tax relief for senior citizens aged 65 and older.

Enacting Clause

BE IT ENACTED BY THE LEGISLATURE OF THE UNITED STATES:

Body of the Bill

Section 1. Short Title.

This Act may be cited as the “Senior Tax Relief and Stability Act.”

Section 2. Purpose and Findings.

Congress finds the following:

1. Seniors living on fixed or limited incomes are particularly vulnerable to increases in property taxes, rent, and the overall cost of living.
2. Many older Americans rely primarily on Social Security benefits, retirement savings, or modest pensions that do not always keep pace with inflation.
3. Tax relief that allows seniors to remain in their homes promotes family stability, reduces displacement, and strengthens local communities.
4. Providing targeted, efficient tax relief may reduce reliance on emergency housing assistance and other public benefits.

Purpose. The purpose of this Act is to deliver responsible, targeted tax relief to individuals aged 65 and older while maintaining fiscal accountability and administrative simplicity.

Section 3. Definitions.

For purposes of this Act:

1. “Eligible senior” means an individual who has attained 65 years of age by the close of the taxable year.
2. “Primary residence” means the dwelling where an eligible senior resides for the majority of the calendar year.
3. “Qualifying income” means adjusted gross income as defined by the Internal Revenue Code.
4. “Taxing authority” means the federal, state, or local body responsible for assessment or collection of applicable taxes.

Section 4. Substantive Provisions.

(a) Enhanced Standard Deduction.

An eligible senior shall receive a \$6,000 increase in the federal standard deduction beyond existing age-based adjustments.

(b) Property Tax Credit.

1. Eligible seniors who own and occupy a primary residence shall be entitled to a refundable federal income tax credit equal to a percentage of property taxes paid during the taxable year, not to exceed \$1,500.
2. To ensure relief is targeted to middle- and lower-income households, the credit may be phased out for taxpayers whose qualifying income exceeds thresholds determined by the Secretary of the Treasury.

(c) Renter's Relief.

Eligible seniors who rent their primary residence may claim a credit calculated as a proportion of their annual rent, recognizing the pass-through effect of property taxation on tenants.

(d) Inflation Adjustment.

Beginning in the first tax year following enactment, deduction and credit amounts shall be annually adjusted to reflect changes in the Consumer Price Index.

Section 5. Enforcement and Administration.

The Internal Revenue Service, in coordination with the United States Department of the Treasury, shall promulgate regulations necessary to implement this Act, including procedures for verification, anti-fraud protections, and streamlined filing options designed to minimize administrative burdens on seniors.

Section 6. Penalties.

Any individual who knowingly files fraudulent documentation to obtain benefits under this Act shall be subject to penalties consistent with existing federal tax fraud statutes, including repayment of improperly received amounts and applicable fines.

Analysis of Research

Key Themes

Research consistently shows older Americans are more likely to live on fixed incomes and are less able to increase wages to offset rising tax burdens. Housing costs represent a growing share of retirement spending, and property taxes can be a deciding factor in determining whether seniors can age in place.

Evidence of Need

Data from the U.S. Census Bureau demonstrates that a significant portion of senior households devote a high percentage of income to housing. Meanwhile, analyses from the AARP highlight increasing financial strain due to insurance, utilities, and medical costs, leaving less flexibility for tax increases.

Stakeholders Affected

- Senior homeowners and renters
- Families who support aging relatives
- Local communities concerned about displacement
- Tax administrators responsible for compliance

Gaps in Current Law

While existing policy provides limited age-based deductions, many middle-income seniors do not qualify for need-based assistance yet struggle to afford housing. Relief programs vary widely by state, creating uneven protection.

Data or Studies Supporting the Approach

Policy groups including the Tax Policy Center note that targeted credits and circuit-breaker style programs are more efficient than broad rate cuts because they direct benefits to households most sensitive to tax increases.

Background

Keeping seniors in their homes can reduce demand for publicly funded long-term care and housing systems while preserving intergenerational neighborhoods.

Bipartisan Appeal

Shared Values

- Respect for those who have contributed to their communities over a lifetime
- Financial independence and dignity in retirement
- Stability for families

Conservative Priorities

- Helps seniors remain self-sufficient
- Reduces pressure on social services
- Uses targeted, means-tested structures rather than universal spending

Progressive Priorities

- Prevents displacement
- Supports aging in place
- Provides refundable relief to lower-income households

Efficiency Argument

Well-designed credits cost less than emergency interventions such as subsidized housing or institutional care.

Bipartisan Precedent

Senior-focused tax relief has historically attracted cross-party support at federal and state levels, particularly when paired with income limits and anti-fraud measures.

Procedural / Administrative Provisions

Severability.

If any provision of this Act or its application is held invalid, the remainder of the Act shall not be affected.

Effective Date.

This Act shall take effect on January 1, 2027, and apply to taxable years beginning after that date.

Repealer Clause.

All laws or parts of laws in conflict with this Act are hereby repealed to the extent of the conflict.

Summary / Digest

This bill provides targeted tax relief for Americans aged 65 and older through an enhanced standard deduction, homeowner property tax credits, renter relief, and inflation adjustments. It aims to help seniors remain in their homes, maintain independence, and reduce future public expenditures.

Works Cited (MLA)

AARP. Property Taxes and Older Homeowners. AARP Public Policy Institute, www.aarp.org.
The Mortgage Reports. Property Tax Exemption for Seniors , www.themortgagereports.com.
U.S. Census Bureau. American Community Survey: Selected Housing Cost Tables.
www.census.gov.