

# DURHAM SENIOR TAX RELIEF PROGRAM ORDINANCE

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## **Purpose**

The objective of the Senior Tax Relief Program is to "freeze" the real estate taxes of taxpayers who qualify under this program at their current level, subject to budgetary restrictions set forth below. This program is intended as an alternate form of tax relief to the deferral program.

## **Eligibility requirements; age; disability; income; residency; participation in state programs**

A. The senior tax relief benefit shall be available to those taxpayers or their spouses with respect to real property located in the Town of Durham owned and occupied as their principal residence in Durham who are:

(1) Sixty-five years of age and over or whose spouses, living with them, are 65 years of age or over; or 60 years of age or over and the surviving spouse of a taxpayer qualified under this plan at the time of his or her death; or with respect to real property located in the Town of Durham occupied as their principal residence on which such residents or their spouses are liable for taxes under Section 12-48 of the Connecticut General Statutes; or

(2) Under age 65 and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under social security or who have not been engaged in there under but have become qualified for permanent total disability benefits under any federal, state or local government retirement or disability plan, including the Railroad Retirement Act and any government-related teachers' retirement plan in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under social security.

B. The senior tax relief benefit shall be available to taxpayers and their spouses whose total <sup>1</sup> gross income for purposes of the federal income tax, plus any other income not included in such <sup>2</sup> gross income (the total of which shall be called "qualifying income"), does not exceed the limits as set forth in Subsection C below. "Qualifying income" shall be defined as all monies received unless specifically exempted, and includes wages, bonuses, commissions, fees, self-employment net income, gross social security income, payment for jury duty, dividends, interest and annuities, IRA income to the extent that is taxable, interest or proceeds from gifts, lottery winnings, net income from sale or rent of real or personal property, pensions, including veterans and railroad retirement, severance pay, unemployment compensation, workers' compensation, alimony and all other sources of income as defined by the Office of Policy and Management. Specifically excluded are social security payments to dependents, gifts, bequests or inheritances (although interest or other income produced by gift, bequest or inheritance must be included), grants for disaster relief, life insurance proceeds and all other exempt sources of income as defined by the Office of Policy and Management. Evidence of such income shall be required, and a signed affidavit shall be submitted to the Durham Assessor when application for benefits under this plan is filed.

C. All such taxpayers or their spouses shall have been taxpayers of the Town of Durham for not less than one year as of the first day of October prior to the filing period. In order to make allowances for

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<sup>1</sup> The word adjusted removed at STM 7/28/2014

<sup>2</sup> The word adjusted removed at STM 7/28/2014

long-time citizens in recognition of their significant contributions to our community, income limits for eligible taxpayers will be adjusted in accordance with the following schedule.

**Income levels not to exceed:**

<b>Years of Residence</b>	<b>Single</b>	<b>Married</b>
1 to 10	\$32,800	\$40,000
11 to 20	\$50,840	\$62,000
20 +	\$68,880	\$84,000

D. All such taxpayers or their spouses who may qualify for tax relief under Sections 12-129b to 12-129d, inclusive, and 12-170aa of the Connecticut General Statutes, must apply for and be included, if qualified, in such program or programs as a condition precedent to qualifying for and receiving benefits under the Senior Tax Relief Program. This provision shall not apply for applications concerning the October 1, 2006 Grand List for taxes due and payable on July 1, 2007.

E. No such taxpayers or their spouses shall be eligible for any benefit under the Senior Tax Relief Program if they are in arrears on any taxes owed the town, including but not limited to motor vehicle and personal property taxes.

F. If a qualifying taxpayer owns the property jointly with a non-spouse, tax relief under the Senior Tax Relief Program will be proportionate to the taxpayer's interest in the property.

G. If property is held in trust for a person who would otherwise qualify for the Senior Tax Relief Program, the tax relief may still be granted if the claimant is the primary beneficiary of the trust and the claimant meets all other requirements under this program. Under these circumstances, the application for relief shall be accompanied by a copy of the trust agreement. The trust agreement shall be reviewed and approved by Town Counsel prior to any relief being granted to the claimant.

The application for the Senior Tax Relief Program shall be a form that has been developed and approved by the Assessor's office of the Town of Durham. In developing the application and applying this program to individual properties, the Assessor shall be guided by the policies developed by the Office of Policy and Management in administering the state's tax relief programs set forth in Connecticut Gen. Stat. Section's 12-129b et.seq. and 12-170aa. An applicant for the Senior Tax Relief Program must file a written application for the program annually between February 1 and May 15. An applicant may file for an extension of the application deadline on or before August 15. The request for an extension must be accompanied by the required forms, together with a certificate signed by a physician or an advanced practice registered nurse indicating that the applicant has been under the care of such professional for an illness or other incapacitating condition.

**Termination of relief**

Tax relief under the Senior Tax Relief Program ends on the date that the property is sold or transferred, or on the date of death of the qualifying owner or qualifying spouse, whichever is earlier. If such sale, transfer or death occurs prior to the filing period, the benefit shall be removed as of October 1. If such sale, transfer or death occurs after the filing of an application, the benefit shall be prorated unless there is a surviving spouse.

### **Establishing cap and annual review**

A. The total amount of tax relief under the Senior Tax Relief Program to all qualified taxpayers shall be determined by the Board of Finance and shall not exceed one-half of one percent of the previous year's total budget, including the town and educational budgets.

B. At each January meeting beginning in the year 2008, the Board of Finance shall establish a maximum amount, or "cap," for the aggregate amount of benefits available under this program. This cap shall not exceed one-half of one percent of the previous year's total town and educational budgets. The Board of Finance shall review the percentage of the cap for the Senior Tax Relief Program for the purpose of determining suitability and shall at the same time set the dollar amount of the cap.

C. After consultation with the Assessor, the Board of Finance shall determine whether the aggregate amount of benefits sought under this program exceeds the dollar amount of the cap. If the Board of Finance determines that the cap is exceeded, it shall direct the Assessor to prorate the benefits in accordance with provisions of this section. Excess abatement over the cap shall be prorated over the total tax base of all participants in the Senior Tax Relief Program in accordance with the following formula:

Total dollar amount in excess of cap / total base tax of all program participants X individual participant's base tax = amount to be added to individual participant's base tax amount.

Note:

\* The increase in the participant's property tax thereby increases the base and establishes a new base tax (adjusted basis).

(1) "Base tax" shall be defined as the amount of tax levied on the property at the time the taxpayer qualifies under the Senior Tax Relief Program.

(2) "Base year" shall be defined as the first year of qualification in the Senior Tax Relief Program.

(3) "Excess Over Cap" shall be defined as the amount of tax relief that exceeds the cap set by the Board of Finance.

(4) An example of the proposal would be:

Cap set by the Board of Finance: \$300,000  
Total tax of all participants: \$1,000,000  
Total relief to all participants: \$350,000  
Sample tax for participant (a) - base year: \$3,000

Excess Over Cap (\$350,000-\$300,000) = \$50,000/\$1,000,000 X 3,000 = \$150.  
New basis for participant a = \$3,150.

### **Limitation on benefits**

The total amount of tax relief available under the Senior Tax Relief Program, when combined with such property tax relief for which such taxpayer may be eligible in accordance with Sections 12-129b to 12-129d, inclusive, or 12-170aa of the Connecticut General Statutes, shall not exceed an aggregate of 75% of the property tax for which such taxpayer would be liable but for the benefits under the Senior Tax Relief Program and the state tax relief programs mentioned above in this subsection. If the aggregate amount of such state and local benefits exceeds said 75% of taxes otherwise due, then the amount of the benefit available under the Senior Tax Relief Program shall be reduced so as to be equal to the difference between the abatement afforded by such state programs and 75% of the taxes laid against the taxpayer for such real property. If benefits received under state programs exceed said 75% of the total taxes otherwise due, no tax benefit shall be available under the Senior Tax Relief Program.

#### **Coordination with other tax relief programs**

Taxpayers shall be eligible to participate in only one local tax relief program, i.e., the Tax Deferral Program or the Senior Tax Relief Program. The benefits under either local program shall not be in lieu of benefits available under any state tax relief program.

Taxpayers participating in the town's existing senior and disabled tax relief program will enter the Senior Tax Relief Program at the tax amount they currently pay after relief. Going forward they are subject to the requirements of the new plan.

#### **Interpretation to be consistent with state tax relief programs**

This article shall be interpreted and applied in a manner that complements and is consistent with existing state tax relief programs. The policies and interpretations adopted by the Office of Policy and Management in construing state tax relief programs shall be utilized in interpreting and applying the provisions of this article.

#### **Right of appeal**

Any person aggrieved by the action of the Assessor in determining the amount of relief or in disapproving any such application under this article may appeal to the Board of Selectmen, in writing, within 14 days after the date of the written notification of the Assessor on such application. The Board of Selectmen shall promptly consider such appeal and may grant or deny the relief requested, or make such other modifications necessary to comply with the article.

#### **Program initiation date.**

This article is effective on the October 1, 2006, Grand List for taxes due and payable on July 1, 2007.

Approved at Special Town Meeting, February 19, 2008.

In effect upon publication.

Amended at Special Town Meeting, July 28, 2014

