

Marsha Standish

From: John Rainaldi [jrainaldi@manchesterct.gov]
Sent: Thursday, July 17, 2014 2:50 PM
To: Marsha Standish
Subject: Local Option Elderly Programs

Hi Marsha,

In response to your request for information, we have a lot of programs here.

The most basic description we have starts with a brochure we have that is on our web page at:

<http://assessmentandcollection.townofmanchester.org/index.cfm/property-tax-relief-for-veterans-seniors-and-disabled/>

We have this brochure available at our office as well, at the Senior Center, at various other Town of Manchester buildings, and I do a presentation at the Senior Center each year where I go over the programs that are available, and pass out this brochure at the start of that discussion. The brochure offers a pretty good description, but because of the nature of it as a single-sheet document, it is pretty brief.

The Homeowner's Program, of course will pay anywhere from \$150 to \$1,250 of a taxpayer's tax bill for them.

In Manchester, the Standard Veteran's Exemption is \$4,500 of assessment credit, which is more than most towns because of our 1990 revaluation increase. Manchester at one point in time went from 1977 to 1990 without a revaluation, so this exemption amount increased significantly in the 1990 revaluation. \$4,500 of assessment credit equals roughly \$155 to \$175 in tax savings based on our current mill rates (we have two, different residential mill rates). The Additional Veteran's Exemption increases the exemption amount to \$14,000 of assessment credit, some, but not all of which is reimbursed by the State of Connecticut due to a local option increase.

Once someone is eligible for Homeowner's and Ad Vets, Manchester then offers a choice between two more programs, our HELP (deferral) program and our Alternative Tax Credit program.

The age and income guidelines equal the State's Homeowner's Program guidelines, except there is nothing in the ordinances about being 100% disabled, so while a 100% permanently disabled person can go in Homeowner's at under 65 years old, they can't go in HELP or Alternative Tax.

There is no requirement that someone go into Homeowner's first, but it's clearly in their best interests to do so and defer less money in taxes that way, get the benefit first, then defer as little tax as possible.

The HELP and Alternative Tax Credit are "either/or," a taxpayer may have the HELP program or the Alternative Tax Credit, not both. HELP is the deferral program it has an interest rate of zero and about 60 participants. We did have an earlier deferral program, but it was revised into HELP a few years ago because we wanted to change it and we wanted to push it more to senior taxpayers. We currently have, I believe about 60 people in HELP.

However, not everyone can go in HELP. Because we are deferring taxes for an unspecified time (until the person sells their house, or in many cases passes away), we record a tax lien on the property. We don't charge the \$24 lien fee (We had a discussion as to whether or not that was permissible under the statute, we're waiving the fee), but we do record a lien. Some people can't go into HELP because if they have a mortgage or a reverse mortgage, the tax lien causes problems. As you probably know, tax liens are first position, and banks don't like our being in line in front of them. We have been asked once or twice about subordinating our liens to the banks, but never agreed to do so.

So, for those who can't go into HELP, or do not want to go into HELP, the Alternative Tax Credit (which is not reimbursed by the state) was developed. This gives taxpayers a tax credit of anywhere from \$100 to \$400 off their tax bill.

If the person does not apply for either HELP or the Alternative Tax Credit, the default is the Alternative Tax Credit, they need to fill out a separate application for HELP, but not for Alternative Tax Credit. The HELP application is every two

years, just like Homeowner's.

We have about 600 people in Homeowner's, so about 90% are in the Alternative Tax Credit and about 10% in HELP. As the statute requires, I believe, before we adopted these programs, the Town forms a Senior Tax Committee. I believe we began discussing this in 2005 and the final ordinance was adopted at the end of 2006.

We do have some people who go into HELP yet pay their taxes anyway. Some of our taxpayers have caught onto the zero interest part of that, and used it as a budgeting tool. Rather than coming up with say \$3,000 or \$4,000 in two installments, they just go into HELP and pay monthly, or quarterly, or what have you. Instead of coming up with \$2,000 in July and another \$2,000 in January, it's easier to just come up with \$333 every month. We have a few people who do that, not many, but a few.

HELP participants have 6 months to pay their taxes current after they sell their house or pass away. Obviously, if they sell the house, it usually happens at closing. Probate sometimes gets dicey though if the homeowner passes away.

We also have the Senior Volunteer Program, this program was adopted by resolution in 2009. I am attaching a copy of the Minutes/Actions from the meeting where this resolution was adopted which shows the resolution itself. I am also attaching the brochure that Adult and Family Services (who administers this program) has regarding this program.

I hope this information is helpful to you. If you need anything else, or you would like to see the applications for any of these programs, please let me know.

Thanks,

John Rainaldi
Director of Assessment & Collection
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PROPERTY TAX EXEMPTIONS FOR BLIND OR TOTALLY DISABLED

Connecticut law provides for a \$3,000 assessment exemption for taxpayers who are legally blind. Proof of blindness (certification by a qualified medical practitioner) must be presented to the Assessor prior to October 1 in order for the exemption to be applied to that assessment year's tax bill.

Connecticut law also provides for a \$1,000 exemption for totally disabled persons who are receiving benefits under a federal, state or local retirement plan, which contains requirements comparable to those of the Social Security Administration. Proof of disability must be presented to the Assessor prior to October 1 in order for the exemption to be applied to that assessment year's taxes.

Homeowners who are totally disabled may also be qualified for tax credits under the State-sponsored Homeowners Program even if they have not reached age 65. Please refer to the information in this brochure under the title "Property Tax Credits for Seniors and Disabled Homeowners."

HANDICAP EQUIPPED VEHICLES

In Manchester, by municipal ordinance, privately used motor vehicles that have been retrofitted to accommodate a handicapped person may be fully exempted from property taxes. *Contact the Assessor's Office at (860) 647-3016 for further information.*

H.E.L.P. Home Equity Leveraging Program TAX DEFERRAL FOR LOW-INCOME SENIORS

Manchester town ordinance provides for a deferral of up to 100% of property taxes for low-income homeowners who qualify under the provisions described under "Property Tax Credits for Seniors and Disabled" on the reverse side. The deferred tax is reduced at a slightly smaller rate than if not deferred. No interest accrues and the deferred tax is not considered in arrears. The accrued deferred tax becomes payable to the Town within 6 months of the sale or conveyance of the property. Applicants may file at the Assessor's Office from February 1 through May 15.

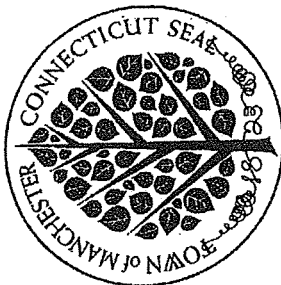
SENIOR VOLUNTEER TAX PROGRAM

Low-income senior homeowners may be qualified to receive up to \$500 in property tax credits by volunteering with approved organizations. Contact Human Services at (860) 647-3092 for information.

RENTER'S REBATES

Senior or disabled low-income renters may be eligible for a partial rebate of rent and utility bills, excluding telephone and cable. The filing period is April 1 through October 1. The Office of Senior, Adult and Family Services administers this program. Contact Senior, Adult and Family Services at (860) 647-3096 for more information.

PROPERTY TAX RELIEF FOR VETERANS, SENIORS AND DISABLED



TOWN OF MANCHESTER

DEPARTMENT OF ASSESSMENT AND COLLECTION

41 CENTER STREET
MANCHESTER, CT 06040

Phone: (860) 647-3016

www.townofmanchester.org/Assessor/
Updated 11/26/13

PROPERTY TAX EXEMPTIONS FOR VETERANS

Combat-era veterans or their surviving spouses who have filed their DD-214 (Honorable Discharge) with the Town Clerk may be eligible for a \$4,500 assessment exemption on their vehicle or dwelling. The veteran must have served at least 90 days during a certified combat era. His/her DD-214 or a certified copy must be filed with the Town Clerk by September 30 in order for the exemption to be applied to the next assessment list. Combat-era veterans still serving can apply for this exemption at the Assessor's Office. This basic veterans' exemption is a primary qualification for the "Additional Veteran's Exemption" further described in this brochure.

Veterans having a combat-related disability rating of at least 10% from the Department of Veterans' Affairs are eligible for increased benefits. To qualify for these increased benefits, the veteran must present his/her disability verification and subsequent rating changes from the VA to the Assessor by October 1.

CURRENTLY-SERVING MILITARY

State residents currently in active-duty military service may also be eligible for the above-described exemption. In addition, one car owned or leased by any military Connecticut resident may be fully exempt from property taxes. Non-residents stationed in Connecticut may also qualify for a full exemption on their vehicles. *Call the Assessors at (860) 647-3016 for further information.*

ADDITIONAL VETERAN'S EXEMPTION

Low-income veterans or their widow(ers) may be eligible to receive an additional exemption. Home-ownership is not required. In effect, their \$4,500 assessment exemption is increased to \$14,000. To qualify, an applicant must file between February 1 and October 1 for exemption on the next assessment year's taxes. Proof of income as described in this brochure under "Property Tax Credits for Seniors or Disabled" must be submitted at the time of application. In addition, the original or certified copy of the veteran's DD-214 must be on file in the Town Clerk's Office by the prior September 30.

VETERANS' COMBAT PERIODS Sec. 27-103 CGS (as amended PA 03-85)

WW II December 7, 1941-December 31, 1947
Korean Conflict June 27, 1950-Jan. 31, 1955
or subsequent service in the DMZ
Vietnam Era February 28, 1961-July 1, 1975
(National Guard service not included for exemption)
Lebanon July 1, 1958-Nov. 1, 1958
or September 29, 1982-March 30, 1984¹
Invasion of Grenada Oct. 25 1983-Dec. 15, 1983¹
Oper. Earnest Will July 24, 1987-August 1, 1990¹
Invasion of Panama Dec. 20, 1989-Jan. 31, 1990¹
Persian Gulf Conflicts August 2, 1990 to present²

¹ In conflicts lasting less than 90 days, service must be in combat/ combat support for duration.

Armed Forces Expeditionary Medal required for service in Lebanon, Grenada, Op. Earnest Will and Panama.

² Service in Persian Gulf is not required, nor is service in combat or combat support.

PROPERTY TAX CREDITS FOR SENIORS OR DISABLED

Property tax credits from \$150 to \$1,250 from total tax are available for low-income seniors or disabled homeowners on their primary residence. Eligibility is based on the following criteria:

Property owner is at least 65 years old as of December 31 preceding the filing period or is at least 50 and the widow(er) of a previously approved applicant. Totally disabled taxpayers regardless of age may also be eligible upon presentation of a Social Security Award Letter or an SSA-1099 with Medicare premiums, or proof of benefits comparable to those of the Social Security Administration. Property must be owned or held in "life use" by the applicant as of October 1 of the year prior to the application period and at the time of application.

Income limits are determined annually by the State of Connecticut. * "Income" is considered income from all sources, including tax-exempt interest and Social Security. The income limit for the 2013 tax year is \$41,600 for couples and \$34,100 for single applicants.

Applications must be renewed every two years between February 1 and May 15. Applicants must bring with them copies of their Federal Income Tax (if filed) and their SSA-1099. If taxes are not filed, applicant must provide statements of all income sources (pensions, interest income, SSA-1099, etc.)

See also H.E.L.P. Tax Deferral Program on reverse side.

**Qualifying Income thresholds are based on Connecticut Office of Policy & Management guidelines set annually.*