

§ 208-1 Purpose.

The Town of Newtown hereby modifies its program of tax relief for the elderly pursuant to § 12-129n of the General Statutes of Connecticut for eligible residents of the Town of Newtown for the fiscal year commencing July 1, 2014, on the terms and conditions provided herein.

§ 208-2 Tax credit granted; eligibility.

Any person who owns real property in the Town of Newtown or who is liable for the payment of taxes thereon pursuant to § 12-48 of the Connecticut General Statutes and who occupies said real property as a residence and who fulfills the following eligibility requirements shall be entitled, subject to the limits, if any, of § 208-8, to tax relief pursuant to § 12-129n of the Connecticut General Statutes in the form of a tax credit which may be reviewed and established by the Legislative Council for succeeding fiscal years, provided that any such revision for a subsequent fiscal year shall be made prior to the time when the Legislative Council makes its final proposed budget recommendation for said fiscal year. The First Selectman may contact the Chairman of the Legislative Council on or before February 1 of each calendar year to discuss such possible review.

A.

- (i) Such person is 65 years of age or over as of July 1 following his/her application; or his or her spouse living with said person is 65 years of age or over as of July 1 following his/her application; the surviving spouse, 60 years or over as of July 1 following his/her application, of a taxpayer who has qualified in Newtown under this article at the time of his or her death.
- (ii) Such person is under age 65 years of age and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or has not been engaged in employment covered by Social Security and accordingly has not qualified for benefits thereunder, but has 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 teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security.

B.

Such person has resided at and paid real estate taxes on a residence located in Newtown for a period of one year prior to his or her application for tax relief.

C.

The property for which the exemption is claimed is the legal domicile of such person and is occupied more than 183 days of each year by such person.

D.

Such person shall have applied for property tax relief under any state statutes for which he/she is eligible. If such applicant has not applied for tax relief under any state statute because he/she is not eligible, he/she shall so certify by filing on a form acceptable to the Tax Collector an affidavit testifying to his/her ineligibility.

E.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, bi-annual reapplication shall be required.

F.

Such person shall have individually, if unmarried, or jointly, if married, Modified Income (as hereinafter defined) not more than established by resolution of the Legislative Council in accordance with this

section.

Modified Income shall be calculated as follows, based on the tax year ending immediately preceding the application for tax relief benefits:

Federal adjusted gross income, as defined in the Internal Revenue Code of 1986, as may be amended from time to time ("AGI") \$XXX

PLUS:

Social security/railroad retirement benefits not included in AGI \$XXX

Tax-exempt interest income \$XXX

Net losses per Form 1040 (used to arrive at AGI) \$XXX

Business losses per Form 1040 \$XXX

Capital losses per Form 1040 \$XXX

Other losses per Form 1040 \$XXX

Schedule E losses per Form 1040 \$XXX

Farm losses per Form 1040 \$XXX

Net operating losses per Form 1040 \$XXX

Disability income not included in AGI \$XXX

MINUS

Unreimbursed gross medical expenses qualifying as and included on a federal income tax return of the calendar year immediately preceding the year of application as an itemized deduction in excess of 7.5% of AGI (per form 1040, Schedule A) (\$XXX)

(Deduction of unreimbursed gross medical expenses effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015)

For the 2014-2015 fiscal year and subsequent fiscal years (unless changed by the Legislative Council in accordance with this section), the Modified Income levels for the prior calendar year and the corresponding Maximum Available Tax Credits for those levels shall be as follows:

Reference Designation	Modified Income Level	Maximum Available Tax Credit
Group A	\$0 to \$45,000	\$2,525
Group B	\$45,001 to \$55,000	\$1,750
Group C	\$55,001 to \$65,000	\$1,300
Group D	\$65,001 to \$70,000	\$800

Modified Income levels and corresponding Maximum Available Tax Credits are subject to change upon resolution by the Legislative Council, which may base such changes on recommendations to the Legislative Council from the Office of The First Selectman. Current Modified Income levels and corresponding Maximum Available Tax Credits shall be made available to the public in the office of the Tax Collector.

G.

An applicant will be disqualified if he/she owes taxes in the Town of Newtown more than six months delinquent.

H.

Any application for tax relief must be filed by any person who fulfills the eligibility requirements in this article.

I.

The tax credit on real property as provided herein shall only apply to the residence itself, the lot on which the residence is located and improvements on said lot.

J.

All applications and supporting information filed with the Town shall be treated as confidential documents.

K.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, any applicant who qualifies for property tax relief hereunder shall have individually, if unmarried, or jointly, if married, a qualifying total asset value not exceeding an amount that shall be annually established upon resolution by the Legislative Council no later than September 30 prior to the next applicable fiscal year (the "QTAV Limit"). Qualifying total asset value shall consist of any and all assets of the applicant individually, if unmarried, or jointly, if married, as of the date of the application but shall specifically exclude the value of the applicant's primary legal residence and all tangible personal property contained therein. Each applicant shall make a sworn statement in a form satisfactory to the Tax Collector that such applicant's qualifying total asset value does not exceed the QTAV Limit. The QTAV Limit as set forth in this section 208-2(K) is subject to change upon resolution by the Legislative Council, and the current QTAV Limit shall be made available to the public in the office of the Tax Collector.

L.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, the property tax relief available hereunder shall be available for one (1) residence only collectively for each applicant individually, if unmarried, or jointly, if married, and shall not be available to any residence with an assessed value in excess of two hundred (200) percent of the median assessed value of residences assessed during each of the prior assessment years, October 1 to September 30, since the inception of the last town-wide revaluation as calculated by the Assessor (the "Assessed Value Limit"). The Assessed Value Limit as set forth in this section 208-2(L) is subject to change upon resolution by the Legislative Council, and the current Assessed Value Limit shall be made available to the public in the office of the Tax Collector.

§ 208-3 Application deadline.

In order to be entitled to the benefits provided herein, an application must be filed with the Tax Collector of the Town of Newtown not earlier than March 1 nor later than May 15 (June 1st, 2014, in the case of 2014 fiscal year applications) to obtain the benefits provided herein for the next fiscal year. The application for tax relief must be made after such person becomes eligible to apply as set forth above.

§ 208-4 Maximum allowable tax credit.

The total of all tax credits granted under the provisions of this article shall not in any taxable year exceed an amount equal to 10% of the total real property tax assessed in Newtown in the preceding tax year.

§ 208-5 Limitations on credit.

Only one tax credit as heretofore set forth shall be allowed for each parcel of land eligible for the tax relief under this article. In any case where title to real property is recorded in the name of the taxpayer

or his or her spouse who are eligible for tax relief and any other person or persons, the tax relief under this article shall be prorated to allow a tax credit equivalent to the fractional share in the property of such tax payer or spouse, and the persons not otherwise eligible for tax relief shall not receive any tax credit.

§ 208-6 Waiver of lien rights.

The Town of Newtown hereby waives any lien rights given to it by § 12-129n of the General Statutes of the State of Connecticut.

§ 208-7 Limitation on reduction in total tax.

No person's normal real estate tax shall be reduced by more than 75% by virtue of said credit provided by this article, together with all tax relief benefits obtained by said person from the State of Connecticut pursuant to state law.

§ 208-8 Limitation on total amount of relief granted.

For each fiscal year the total revenue loss to the Town from the program, together with all other elderly real property tax relief benefit programs pursuant to state law, exclusive of any tax deferral programs that may from time to time be enacted, shall not exceed the amount appropriated in said fiscal year's annual budget for the program (the "Cap Amount"). The portion of the Cap Amount to be allocated for tax credits to qualified applicants in the Groups A-C Modified Income levels (the "Groups A-C Cap") and the Group D Modified Income level (the "Group D Cap") shall be established upon resolution by the Legislative Council. For the fiscal year commencing July 1, 2014, the Groups A-C Cap shall be \$1,500,000 and the Group D Cap shall be \$150,000. In the event that the number of qualified applicants in one or more of the Modified Income levels is such that providing the Maximum Available Tax Credit to each such applicant would result in revenue loss exceeding the Cap Amount or tax credits not equal to the Groups A-C Cap or the Group D Cap, the Tax Collector shall utilize the following method to determine the actual tax credits received by qualified applicants:

A.

If the product of (i) the number of qualified applicants in the Group D Modified Income level and (ii) the corresponding Maximum Available Tax Credit (the "Group D Applied Tax Credit") is more than the Group D Cap, then the tax credits available to qualified applicants in the Group D Modified Income level shall be reduced on a pro-rata basis such that the total amount of tax credits for such applicants does not exceed the Group D Cap. If the Group D Applied Tax Credit is less than or equal to the Group D Cap, the excess funds, if any, (the "Group D Surplus") shall be allocated to fund tax credits for qualified applicants in the Groups A-C Modified Income levels.

B.

If the product of (i) the number of qualified applicants in the Groups A-C Modified Income levels and (ii) the corresponding Maximum Available Tax Credit (the "Groups A-C Applied Tax Credit") is more than the sum of (iii) the Groups A-C Cap and (iv) the Group D Surplus, if any, (the "Groups A-C Allocation") then the tax credits available to qualified applicants in the Groups A-C Modified Income levels shall be reduced on a pro-rata basis such that the total amount of tax credits for such applicants does not exceed the Groups A-C Allocation. If the Groups A-C Applied Tax Credit is less than or equal to the Groups A-C

Allocation, the excess funds, if any, (the "Groups A-C Surplus") shall be made available to fund the following fiscal year's Legislative Council Approved Senior Tax Abatement budget allocation.

The Cap Amount, the Groups A-C Cap, the Group D Cap, and the method utilized to determine the actual tax credits to be received by qualified applicants may be revised by the Legislative Council in the same manner as the Modified Income levels and corresponding Maximum Available Tax Credits may be revised pursuant to § 208-2.