



# TOWN OF CAPE ELIZABETH

## Property Tax Assistance Program

For Property Tax Assessed as of April 1, 2018

**Application Deadline – February 15, 2019**

\_\_\_\_\_  
*Applicant's First Name*

\_\_\_\_\_  
*MI*

\_\_\_\_\_  
*Last Name*

\_\_\_\_\_  
*Signature/Today's Date*

\_\_\_\_\_  
*Applicant's Date of Birth*

\_\_\_\_\_  
*Spouse's First Name*

\_\_\_\_\_  
*MI*

\_\_\_\_\_  
*Last Name*

\_\_\_\_\_  
*Signature/Today's Date*

\_\_\_\_\_  
*Spouse's Date of Birth*

\_\_\_\_\_  
*Mailing Address (P.O. Box, street and apartment number)*

\_\_\_\_\_  
*City*

\_\_\_\_\_  
*State*

\_\_\_\_\_  
*Zip Code*

\_\_\_\_\_  
*Daytime Telephone Number*

\_\_\_\_\_  
*Property Location*

\_\_\_\_\_  
*Map & Lot (See Assessor)*

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## Property Tax Assistance Program

For Property Tax Assessed as of April 1, 2018

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Please provide documentation for sections 1 through 4

This section to be completed by Town Staff

1. Resident of Cape Elizabeth for at least 10 years <u>AND</u> at least 65 years of age?	Document Presented:
2. Federal Adjusted Gross Income from filed Federal Tax return form 1040, 1040-A, or 1040-EZ	Document Presented: \$
3. Social Security Benefit Statement ( <i>if you do NOT file Federal Income Taxes</i> )	\$
4. Additional Income of other adults in household?	\$
5. Total Income (Add Lines 2 through 4)	\$
6. Income Limit...if line 5 exceeds line 6: STOP, No benefit will be paid	\$60,000
7. Benefit threshold (5% of Line 5)	\$
8. Real Estate Taxes Assessed (July 1, 2018 through June 30, 2019)	\$
9. Excess of Tax Assessed over Benefit Threshold (Line 8 minus Line 7, if Line 8 does not exceed Line 7 No benefit will be paid)	\$
10. Benefit Cap	\$500
11. Benefit determination (check mailed by 3/1/2019) Lesser of Excess Tax or Benefit Cap (Lesser of Line 9 or Line 10)	\$

Please return this application to the Assessing Department (2<sup>nd</sup> floor of the Town Hall). This application is considered **CONFIDENTIAL** and not subject to public viewing. If you have any questions, please contact the Assessor, Clinton Swett at (207) 799-1619 or email at [CLINTON.SWETT@CAPEELIZABETH.ORG](mailto:CLINTON.SWETT@CAPEELIZABETH.ORG).



## TOWN OF CAPE ELIZABETH

### Explaining the Proposed Senior Tax Relief Program

#### Parameters of the program:

<b>Age</b>	65 years or older
<b>Property Owner for...</b>	10 years or more
<b>Homestead Exemption</b>	Already receiving it
<b>Federal Adjusted Gross Income</b>	\$60,000 or less
<b>Benefit Cap</b>	\$500
<b>Taxes</b>	Exceed 5% of Federal Adjusted Gross Income
<b>Application date</b>	February 15, 2019* (November 15 <sup>th</sup> thereafter)
<b>Assessor report to Council on</b>	1 <sup>st</sup> Council Meeting in December
<b>Checks to applicants by</b>	March 15, 2019

- 1. What is this program?** It allows seniors to receive up to \$500 in rebate for property taxes paid last year.
- 2. Who can apply?** Applicants need to be at least 65 years of age and reside in Cape Elizabeth for 10 years. The test for eligibility then looks at how much of an applicant's income (5%) has to be paid in property taxes. For every dollar the property taxes are more than 5% of income a rebate is paid up to \$500. A new application MUST be submitted each year, this is to verify if there are any changes in annual income.
- 3. When will I receive my check?** If you are eligible to receive a rebate, a check will be mailed to you by March 1, 2019.
- 4. Why was 5% of income chosen as a threshold for creating eligibility?** Relying upon the judgements underlying the State's successful earlier program, any percentage in the 4-6% range is probably appropriate as a limit on how much of an applicant's income should go to property tax.
- 5. Why was \$60,000 chosen as an income gap?** Several benchmarks were considered. The median household income of people 65 years and older is approximately \$59,700, based on Federal numbers. Scarborough, our neighbor to the South with a similar program, uses \$50,000 as their income gap.
- 6. So a person with income just over \$60,000 gets no benefit?** The draft does cut off eligibility. This is somewhat inequitable but the formula as proposed has a progressive element (higher income levels require higher tax obligations).
- 7. Why was Federal Adjusted Gross Income (AGI) chosen?** The premise was to use a suitable number that nearly every applicant would have. Federal AGI is the simplest of the readily available numbers and is much simpler than Maine AGI. It is anticipated that few, if any recipients, will have sources of income that escape Federal AGI and staff can monitor for any anomalies.

**8. Why is the maximum benefit capped at \$500?** \$500 was chosen because it was the limit in the town's ordinance and having a cap helps control the size of the program.

**9. Are renters and persons not filing tax returns covered?** YES! For renters the same formula applies using 18% of rent (the State figure proposed) as their "property taxes". The State of Maine requires that renters must be included in this program. As a practical matter, few renters are expected to be 65 and 10 years residents. Rent subsidies cannot be used to qualify. Non-filers only need to show their W-2's and 1099's to allow the Assessor to calculate the Federal AGI.

**10. Will the new program be too complicated to manage with our limited resources in Assessing?** The formula focuses on simplicity. It uses information that is readily available to applicants and is easily calculated by the Assessor. No sensitive documents will be or need to be retained by the town.

If you have additional questions, please contact the Assessor, Clinton Swett, at (207) 799-1619 or email [Clinton.swett@capeelizabeth.org](mailto:Clinton.swett@capeelizabeth.org).