



Proposed Senior Tax Relief Program

Modeled after the Town of Scarborough, Maine program

General Framework:

- Property owner at least 62 years of age
- Cape Elizabeth resident for at 10 years or more
- Test for Eligibility
 - Income cap of \$50,000
 - Median Household Income of 65 years and older is \$59,700 (INCOME BY ZIP CODE, 2017)
 - Property Taxes must exceed 5% of your Federal Adjusted Gross Income
- Confidential – Assessor's Office will not keep them, only verify for eligibility, not become part of town's possession (non FOA docs).
 - ME Drivers license, US Passport, Fed Tax forms 1040, 1040A, 1040-EZ, Social Security Benefit Statements
- Maximum benefit is capped at \$500 per household
- Modeled after similar program in Scarborough, with some subtle changes

Scarborough Ordinance Notes:

- Written request to the Tax Assessor no later than October 15th.
- Annual filing is required to remain in program; this is to verify income for the new year.
- Tax Assessor may accept a statement under oath
- Tax Assessor shall process the application and determine if the applicant is eligible; Assessor's decision shall be final
- Tax Assessor shall report in writing to the Town Council no later than the first Town Council Meeting of December. The reported numbers can be used for the upcoming Budget Cycle/Workshops.
- Funded by General fund or other sources of support. Any surplus monies available after all payments are made, shall revert to the ***Property Tax Assistance Reserve Account***.
- *Checks will be disbursed no later than December 15 for the year in which participation is sought.*
- *One applicant per household*

Sample Application

1. Name:	<u>Jane Doe</u>	Phone:	<u>207-555-1234</u>
2. Address:	<u>320 Ocean House Road</u>	E-Mail:	<u>myemail@gmail.com</u>
3. Date of Birth:	<u>2/5/1950</u>	Document Seen:	<u>yes</u> ME Driver's License/ID _____ US Passport _____ Other _____ _____
Applicants must be 62 on 10/15/2016 Born on/before 10/15/1954			
4. Resident of Scarborough	For at least 10 years on 10/15/2016	Document Seen:	<u>yes</u> Assessing Record _____ Other _____ _____ Oath _____
5. Federal Adjusted Gross Income	From filed Form 1040, 1040-A, or 1040-EZ		<u>\$ 24,000</u>
6. Additional income of other adults in household			<u>0</u>
7. Total Income (Line 5 plus Line 6)			<u>\$ 24,000</u>
8. Income Limit			<u>\$50,000</u>
a. If line 7 exceeds line 8: STOP: No benefit paid			
9. Benefit Threshold	5% of Line 7		<u>\$ 1,200 (\$24,000 x 5%)</u>
10. Real Estate Tax Assessed	July 1, 2015 through June 30, 2016 (FY 2016)		<u>\$ 2,500</u>
11. Excess of Tax Assessed over Benefit Threshold	Line 10 minus Line 9. If line 10 does not exceed Line 9: STOP: No benefit paid		<u>\$ 1,300 (2,500 taxes minus 1,200 threshold)</u>
12. Benefit Cap			<u>\$500</u>
13. Benefit Determined (Check Mailed by 12/15/2016)	Lesser of Excess Tax of Benefit Cap (Lesser of Line 11 or Line 12)		<u>\$ 500</u>

65 Yr. old
person

Fed Adjusted
Income of
\$24,000

Property Taxes
of \$2,500
(\$138,900
home
assessment)

Scarborough Budget for Project


Line item *“Resident Senior Property Tax Relief Fund”*

Comparable Data, Scarborough estimated 2019 population is 19,650, while Cape Elizabeth is only 9,485 (GPCOG.ORG, Community Profile, 1/7/2015)

- Scarborough 2017 Budget was \$75,000
- Scarborough 2018 Proposed budget is \$200,000
- Last year, Scarborough had 312 participants
- Cape Elizabeth, fair to estimate 150 participants? \$75,000 for the program?

Decisions to be made are...

- Income limit? Keep at \$50,000 or move to Cape Elizabeth Median Household Income level for 65 years and older, which is \$59,700
- Benefit cap of \$500? Should it be increased, if so, to what number?
- Residency of 10 years? Should this number be decreased to 5 years?
- Do the applicants have to be current on their taxes?
- If delinquent, instead of issuing a check should the benefit be applied to back taxes?



**I never learn anything
talking. I only learn things
when I ask questions.**

Lou Holtz

 BrainyQuote®



**ANY
QUESTIONS?**