



ELDERLY DEFERRAL PROGRAM

APPLY FOR BENEFITS BEFORE
MAY 15, 2009 FOR
JULY 1, 2009 TAX BILL

TOWN OF BRANFORD TAX DEFERRAL ORDINANCE HIGHLIGHTS

This is a local program offered by the Town of Branford to those residents age sixty-five or older or totally disabled as defined by a Social Security award letter.

BENEFITS:

- **You may defer (postpone tax payments) of up to 75% of your property tax bill each year. The unpaid taxes will accrue interest each year.**
- **The deferred (postponed) tax payments are subject to annual interest charges at a rate of 0-3% based on income.**
- **The deferral is in effect until one of the following happens: the home is sold, it is no longer used as the applicant's primary residence, the applicant chooses to no longer participate in the program, or the applicant passes away.**
- **All deferred property taxes will be recorded on the land records as a lien. The lien can be removed upon the payment of the outstanding taxes owed plus applicable interest and fees.**

REQUIREMENTS:

- **Applicant must be at least 65 years old or totally disabled, verified by a Social Security award letter.**
- **Income guidelines are \$62,500 if single and \$75,000 if married. Eligibility is based on income from all sources.**
- **Home must be primary residence of applicant.**
- **Applicant may not have delinquent taxes due on the property. Last day to file for the Tax Deferral Program is May 15, 2009. Applicant must re-file every year.**

For questions concerning this program please contact the Tax Collector's Office at 315-0672.

ARTICLE VI Tax Relief for Elderly and Disabled Citizens [Adopted 6-13-2001; amended in its entirety 9-10-2003][revised 4-12-07]

§ 220-15. Authorization.

The Town of Branford hereby enacts property tax relief for eligible elderly and/or totally disabled homeowners, pursuant to the authority granted by Connecticut General Statutes, Section 12-129n, as amended.

§ 220-16. Eligibility.

Any person who is liable for the payment of taxes on residential real estate and who meets the eligibility requirements of this section shall be entitled, subject to the limits, if any, of § 220-18 of this article, to tax relief in the form of a tax deferral, as provided herein.

A Such person shall be:

- (1) Sixty-five years of age or over as of December 31 of the year prior to his/her application; or
- (2) His or her spouse living with said person is 65 years of age or over as of December 31 of the year prior to his/her application; or
- (3) The surviving spouse, 60 years or over as of December 31 of the year prior to his/her application, of a taxpayer who has qualified in Branford under this article at the time of his or her death; or
- (4) Under the age of 65 and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under social security, or have not been engaged in employment covered by social security and accordingly have not qualified for benefits thereunder, 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 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 shall have been a taxpayer in the Town of Branford for one year immediately preceding the receipt of tax benefits under this article.

C The property for which the exemption is claimed must be the legal domicile of such person and occupied as his or her principal residence.

D Such person shall have applied for property tax relief under Connecticut General Statutes, §§ 12-129b through 12-129d, inclusive, or under § 12-170aa. If such applicant has not applied for tax relief from the state 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 and the basis for such ineligibility.

E Reapplication each year will not be required, except that in any subsequent calendar year that an applicant has income in excess of the maximum described in this section, he/she shall notify the Tax Collector on or before the next filing date and shall be denied tax relief for that year and any subsequent year until he/she has reapplied and again qualified for relief under this article. The Assessor and/or the Tax Collector shall require requalification every two years.

ARTICLE VI Tax Relief for Elderly and Disabled Citizens [Adopted 6-13-2001; amended in its entirety 9-10-2003][revised 4-12-07]

- F. **See Revision Attached**
- G. Such person shall be disqualified from the tax relief provided hereunder with respect to any fiscal year if he/she owes delinquent taxes in the Town of Branford as of the commencement of such fiscal year.
- H. The tax deferral on real property as provided herein shall only apply to the residence itself, the lot on which the residence is located, and any such improvements on said lot.

§ 220-17. Time of application.

In order to be entitled to the benefits provided herein, an application must be filed with the Tax Collector of the Town of Branford not earlier than February 1 nor later than May 15 (November 30, 2003, in the case of 2003-2004 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.

§ 220-18. Conditions and limitations of relief.

Any qualified recipient of tax deferral relief under this article shall be subject to the following conditions and limitations:

- A Only one tax deferral 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 is eligible for tax relief, together with any other person or persons, the tax relief under this article shall be prorated to allow a tax deferral equivalent to the fractional share in the property of such taxpayer or spouse, and the persons not otherwise eligible for tax relief shall not receive any tax deferral.
- B An eligible person shall be entitled to deferral of all real property taxes otherwise due, subject to the limitations of the following sentence, and as otherwise provided herein. The real estate tax otherwise due shall not be reduced by more than 75% by virtue of the deferral provided under this article, together with all tax relief benefits obtained by said person from the State of Connecticut pursuant to Connecticut General Statutes, §§ 12-129b to 12-129d, inclusive, and § 12-170aa.
- C All amounts deferred shall be reimbursed to the Town upon the earlier of the death of the taxpayer or the conveyance of the real property subject to taxation in accordance with § 220-21 of this article.
- D **See Revision Attached**
- E Total deferment, including interest, for all years shall not exceed the total assessed value of the real property.
- F The taxpayer shall enter into an annual written agreement with the Town providing for reimbursement of the deferred taxes, interest and lien fees. The principal amount of such tax deferral benefit, excluding interest, shall be recorded in the land records of the Town and shall constitute a lien on the property payable as set forth herein. **[Amended 5-8-2006]**

**ARTICLE VI Tax Relief for Elderly and Disabled Citizens [Adopted 6-13-2001;
amended in its entirety 9-10-2003][revised 4-12-07]**

§ 220-19. Amount of tax relief deferral; program limitations.—See Revision Attached

§ 220-20. Implementation.

The Tax Collector of the Town of Branford shall prescribe, with regard to his/her respective duties under this article, such forms and procedures as may be necessary to implement this article. The Tax Collector, in addition, shall satisfy himself or herself as to the qualifying income of an applicant for benefits under this article and may request and review such evidence of qualifying income as he or she may deem pertinent.

§ 220-21. Reduction of relief at conveyance or death.

If any person with respect to whom a claim for tax deferral in accordance with this article has been approved for any assessment year transfers, assigns, grants or otherwise conveys the interest in real property to which such claim for tax deferral is related, whether at death or inter vivos, other than to such person's qualified spouse or for purposes of collateral security, such tax and any previous deferral benefits shall be due and payable and collectable as other property taxes and subject to the same liens and processes of collection, provided that such tax shall be due in an initial or single installment not sooner than 90 days after the date such bill is mailed or handed to the grantee (and in equal amounts in any remaining regular installments as the same are due and payable).

§ 220-22. Miscellaneous provisions.

A The invalidity of any word, clause, section or provision of this article shall not affect the validity of any other part which can be given effect without such invalid part or parts.

B This article shall take effect upon passage and publication in accordance with the Branford Charter.

**REVISED
ORDINANCE AMENDING THE ELDERLY AND DISABLED CITIZEN'S TAX DEFERRMENT
PROGRAM**

BE IT ORDAINED THAT Part II, General Legislation, Article VI, Tax Relief for Elderly and Disabled Citizens, Section 220-16, Subparagraph F. of the Municipal Code of the Town of Branford is hereby amended by deleting the present Section 220-16 F. and replacing it with a new Section 220-16 F. as follows:

Section 220-16 F.

Such person shall have individually, if unmarried, or jointly, if married, adjusted gross income as defined in the Internal Revenue Code of 1986, as amended, plus tax exempt interest as defined in Section 103 of the Internal Revenue Code of 1986, as amended, dividend exclusions as set forth in Section 116 of the Internal Revenue Code of 1986, as amended, social security benefits, railroad retirement benefits, income from other tax exempt retirement and annuity sources in an amount not more than that stated in this Subsection F. To be eligible for tax relief from taxes on the Grand List of October 1, 2006 and thereafter, the maximum income level for calendar year 2006 and thereafter shall be as follows:

- (1) Seventy-five thousand (\$75,000) dollars of (household) income as defined in this Subsection F. if married.
- (2) Sixty-two thousand five hundred (\$62,500) dollars of (household) income as defined in this Subsection F. if single.

BE IT FURTHER ORDAINED THAT Part II, General Legislation, Article VI, Tax Relief for Elderly and Disabled Citizens, Section 220-18 Subparagraph D. of the Municipal Code of the Town of Branford is hereby amended by deleting the present Section 220-18 D. and replacing it with a new Section 220-18 D. as follows:

Section 220-18 D.

All amounts deferred shall be subject to an interest charge as follows:

- (1) no interest (0%) for any qualified recipient of tax relief under this article who has been determined eligible for the Elderly and Totally Disabled Tax Relief Program (Connecticut General Statutes 12-129b through 12-129d and 12-170aa) as administered by the State of Connecticut;
- (2) equal to one percent (1%) per annum for any qualified recipient of tax relief under this article whose income level as defined in Section 220-16F hereof exceeds the income guidelines established by the State of Connecticut for the Elderly and Totally Disabled Tax Relief Program (Connecticut General Statutes 12-129b through 12-129d and 12-170aa) but does not exceed Forty Thousand (\$40,000) Dollars.
- (3) equal to two percent (2%) per annum for any qualified recipient of tax relief hereunder whose income level as defined in Section 220-16 F hereof is more than Forty Thousand (\$40,000) Dollars but does not exceed Sixty Thousand (\$60,000) Dollars.
- (4) equal to three (3%) percent per annum for any qualified recipient of tax relief hereunder whose income level as defined in Section 220-16 F hereof is more than Sixty Thousand (\$60,000) Dollars.

Such interest charge shall be included in the written agreement to be entered into by the Town and the taxpayer. Such interest shall be compounded annually and shall accrue from the date of deferral until the date of payment.

**REVISED
ORDINANCE AMENDING THE ELDERLY AND DISABLED CITIZEN'S TAX DEFERRMENT
PROGRAM [approved 4-12-07]**

BE IT FURTHER ORDAINED THAT Part II, General Legislation, Article VI, Tax Relief for Elderly and Disabled Citizens, Section 220-19 of the Municipal Code of the Town of Branford is hereby amended by deleting the present Section 220-19 and replacing it with a new Section 220-19 as follows:

Section 220-19

The total revenue loss to the Town under this Article shall not exceed \$336,433 for the 2007-2008 fiscal year and for future years shall not exceed 0,50 percent of the total amount of taxes collected against the most recent grand list year for which audit figures are available, which amount shall constitute a spending "cap" for purposes of this article. In the event that applications for relief filed would result in revenue loss to the Town exceeding that amount, then the sum of eligible applicants shall be divided into said cap amount, and the resulting relief amount shall be apportioned pro rata among the eligible applicants. This cap amount and the income guidelines in Section 220-16 of this article, may be revised by the Representative Town Meeting on the recommendation of the Board of Finance from time to time, provided that any such revision for a subsequent fiscal year shall be made prior to the time that the Representative Town Meeting adopts a budget for said fiscal year. The Tax Collector shall contact the Chairman of the Board of Finance and the Moderator of the Representative Town Meeting on or before February 1 of each year to discuss such possible revision.

Purpose: Amend the Elderly and Disabled Tax Deferral program in order to encourage more participation in the program

Scenario One

Applicant qualifies under the State of Connecticut's program for the Elderly and Totally Disabled Tax Relief Program

Interest Rate	Income	Status	Market Value	Assessed Value	Exemptions	Net Assessment	Estimated Mill Rate	Taxes	State Homeowner Tax Credit	Branford Local Option	Balance	Deferral 75%	Total Tax
0%	21,000	Single	350,000	245,000	-	245,000	0.02227	5,456.15	(500)	(300)	4,656.15	3,492.11	1,164.04
	21,000	Married	350,000	245,000	-	245,000	0.02227	5,456.15	(750)	(300)	4,406.15	3,304.61	1,101.54
	21,000	Single	350,000	245,000	(16,000)	229,000	0.02227	5,099.83	(500)	(300)	4,299.83	3,224.87	1,074.96
	21,000	Married	350,000	245,000	(16,000)	229,000	0.02227	5,099.83	(750)	(300)	4,049.83	3,037.37	1,012.46

Scenario Two

Income exceeds State guidelines but does not exceed \$40,000

Interest Rate 1%

Income	Market Value	Assessed Value	Estimated Mill Rate	Taxes	Deferral 75%	Total Tax
Less 40,000	350,000	245,000	0.02227	5,456	4,092	1,364

Homeowner's deferral cost

	Interest	Taxes	Total
Year 1	41	4,092	4,133
Year 2	82	4,092	4,174
Year 3	123	4,092	4,215
Year 4	164	4,092	4,256
Year 5	205	4,092	4,297
	614	20,461	21,074

Appreciation in Home's Value

Percent 3.0%

Year 1	0
Year 2	360,500
Year 3	371,315
Year 4	382,454
Year 5	393,928

Total Appreciation 43,928
Less Cost of Deferral 21,074

Difference 22,854 Appreciation in home's value exceeds the cost of deferral

Scenario Three

Income exceeds \$40,000 but does not exceed \$60,000

Interest Rate 2%

Income	Market Value	Assessed Value	Estimated Mill Rate	Taxes	Deferral 75%	Total Tax
40,000 - 60,000	350,000	245,000	0.02227	5,456	4,092	1,364

Homeowner's cost of deferral

Year	Interest	Taxes	Total
Year 1	82	4,092	4,174
Year 2	164	4,092	4,256
Year 3	246	4,092	4,338
Year 4	327	4,092	4,419
Year 5	409	4,092	4,501
	1,228	20,461	21,688

Appreciation in Home's Value

Percent 3.0%

Year 1	0
Year 2	360,500
Year 3	371,315
Year 4	382,454
Year 5	393,928

Total Appreciation 43,928
Less Cost of Deferral 21,688

Difference 22,240 Appreciation in home's value exceeds the cost of deferral

Scenario Four

Income exceeds \$40,000 but does not exceed \$60,000

Interest Rate 3%

Income	Market Value	Assessed Value	Estimated Mill Rate	Taxes	Deferral 75%	Total Tax
40,000 - 60,000	350,000	245,000	0.022227	5,456	4,092	1,364

Homeowner's cost of deferral

	Interest	Taxes	Total
Year 1	123	4,092	4,215
Year 2	246	4,092	4,338
Year 3	368	4,092	4,460
Year 4	491	4,092	4,583
Year 5	614	4,092	4,706
	<u>1,841</u>	<u>20,461</u>	<u>22,302</u>

Appreciation in Home's Value

Percent 3.0%

Year 1	0
Year 2	360,500
Year 3	371,315
Year 4	382,454
Year 5	393,928

Total Appreciation 43,928
Less Cost of Deferral 22,302

Difference

21,626 Appreciation in home's value exceeds the cost of deferral