Overview

Increases the maximum household income for a homeowner to qualify for the senior deferral program from $30,000 to $60,000 and decreases the annual property tax amount required by the taxpayer from 5 percent of income to 3 percent. Effective for deferrals of property taxes payable in 2000 and thereafter.

Section

Program qualifications; household income. Increases the total household income from $30,000 to $60,000 for homeowners to qualify for the senior citizen's property tax deferral program. The income measure used is household income, a broad measure also used in calculating the property tax refund (circuit breaker).

Excess-income certification. Increases the household income from $30,000 to $60,000 to make it consistent with the change in household income under section 1.

Resumption of eligibility certification. Increases the household income from $30,000 to $60,000 to make it consistent with the increase in household income under section 1.

Annual maximum property tax amount. Decreases the annual maximum property tax amount which the taxpayer is required to pay from the current 5 percent of income to 3 percent. This change will mean that the taxpayer will pay less property tax on an annual basis and will, in effect, be deferring more of the tax under the program.

For example a taxpayer whose total household income is $30,000, is currently required to pay the first $1,500 ($30,000 times 5 percent) of property taxes on the homestead. Any tax in excess of $1,500 would be deferred under the program. Under this proposal, the taxpayer would be required to pay only $900 ($30,000 times 3 percent), and the amount in excess of $900 would be deferred.

Effective date. Provides that this act is effective for deferrals of property taxes payable in 2000 and thereafter.

Note: The effective date does not address how taxpayers who are presently in the program...
should be treated with respect to the decrease in the annual maximum property tax amount from 5 percent to 3 percent. For ease of both equity and administration of the program, one should probably use the 3 percent requirement for all deferrals of property taxes made beginning with taxes payable in 2000, regardless of when the homeowner actually qualified for the program.