



WYOMING LEGISLATIVE SERVICE OFFICE

Research Memo

06 RM 028

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Author: Don C. Richards, Senior Research Analyst

Re: Property Tax Relief for Senior Citizens

QUESTIONS

1. What property tax relief programs are currently available to senior citizens, defined as Wyoming residents over age 65, and where would seniors apply to participate in each identified program?
2. Is the property tax deferral program authorized in W.S. 39-13-107(b)(iii) operating in any counties?
3. Do any states presently allow senior citizens' property tax bill to be stabilized, i.e., not subject to future increases, with the deferred taxes coming due only upon death or sale of the senior citizen's property? Do any states completely exempt future increase, i.e., "freeze" property taxes for certain populations?
 - a. Would such a system require a Constitutional amendment in Wyoming, or could it be imposed by statute?
 - b. If such a system such as the one described in Question #3 were imposed in Wyoming, what would the estimated cost of such a proposal be?
4. Are there programs in other states that would offer alternative means of providing property tax relief to senior citizens?

ANSWERS

1. There are two property tax relief programs in Wyoming statute that use age as one of the criteria (Property Tax Deferral Program and the Tax Refund for the Elderly and Disabled) and three other statutory property tax relief programs which Wyoming seniors may qualify for, but do not include the age of the applicant among the programs' criteria (Property Tax Relief Program, Veteran's Exemption, and Homeowner's Tax Credit). In terms of administration and applications, the Property Tax Deferral Program, Property Tax Relief Program, and Veteran's Exemption program are all administered at the county level and the applicant would apply directly with the appropriate county officials. Applicants can also apply for the Property Tax Relief Program directly to the State Department of Revenue. The Tax Refund for the Elderly and Disabled is administered and applications are received by the Wyoming Department of Health. Finally, the Homeowner's Tax Credit, by statute, does not operate unless funded by the Legislature and is currently not funded. However, in the event it was funded, applicants would also apply with the appropriate county officials.

DISCUSSION AND DESCRIPTION OF WYOMING TAX RELIEF PROGRAMS

Property Tax Deferral Program. The property tax deferral program, authorized in W.S. 39-13-107(b)(iii), provides temporary property tax relief for qualifying individuals. The program is available to elderly (over the age of 62), disabled, and low income homeowners (less than 150 percent of the federal poverty level for a family of four, adjusted by comparative county index), or homeowners who purchased their home prior to

December 31, 1987. Interest shall accrue on the deferral at the annual compounded rate of four percent.

This program must be adopted by the county commissioners in order to become effective in each county. Once rules are prepared at the local level, the state Department of Revenue must approve each county's plan. If approved, the State Treasurer may invest permanent funds in the reimbursement of deferred property taxes and interest in order to keep government entities that are recipients of ad valorem taxes whole in terms of revenues collected. W.S. 9-4-701(m) provides the statutory authority for the State Treasurer to invest up to \$2 million of permanent mineral trust funds in deferred property taxes. As of the most recent annual report (FY05), the State Treasurer reported investments of \$22,184 in this program. According to State Treasurer staff, the State has invested funds in the property tax deferral program in just two counties (Sheridan and Teton), and no additional loans have been made since February of 1998. According to the State Treasurer's Office, 20 individual property owners in two counties have participated in the program, and 19 property owners in Teton county have outstanding obligations.

The property tax deferral program allows up to one-half of the annual property taxes to remain unpaid, or deferred. The unpaid portion then becomes a lien against the property. All unpaid taxes must be paid if: (i) affidavits are not filed, (ii) the property is sold or transferred, (iii) the owner dies, or (iv) ordered by the county commission. The county commission may order payment of any deferred taxes, if the taxes exceed half the property's market value. Thus, as suggested by name, this program offers a property tax deferral, not a tax refund. Therefore, it may be particularly well suited for elderly property owners who have home equity but may struggle to meet the cash flow requirements of annual property tax payments. However, consistent with experiences reported in other states by the National Conference of State Legislatures (NCSL), participation in these types of property tax deferral programs is generally quite low.

Tax Refund for the Elderly and Disabled. The Wyoming Department of Health (WDH) provides annual tax refunds to the elderly (over 65 years of age) or persons who are over 18 years of age and totally disabled. This program is authorized in W.S. 39-11-109(c)(ii) et seq. Beginning in 2006, a qualified single person whose actual annual income is less than \$13,500 shall receive a \$800 refund, reduced by the percentage of their income that exceeds \$8,000. A married couple with at least one person qualifying under the above qualifications with an actual annual income of less than \$22,000 shall receive a \$900 refund, reduced by the percentage that their actual income exceeds \$12,500. Table 3 shows a snapshot of some recent statistics about this program; however, it should be noted that the income eligibility requirements and maximum refunds were recently increased in the 2006 Budget Session.

Table 1. Elderly and Disabled Tax Refund

Fiscal Year	Number received refund	Average refund amount	TOTAL
2002	3,742	\$378	\$1,414,476
2003	3,431	\$364	\$1,248,884
2004	3,227	\$356	not reported
2005	3,059	\$347	not reported

Source: LSO summary of information available from 2005-2006 and 2007-2008 Biennium Budget Requests for the Department of Health.

By statutory statement of policy, the refunds to the elderly and disabled represent a "partial exemption of taxes paid under the sales and use taxes, property tax relief and utility or energy cost relief." Nonetheless, beginning in 2006, WDH will begin reporting the amount of the refund to the Internal Revenue Service. According to WDH staff, the IRS, after considerable review, has held that the rebates may, at least in some cases, represent payments to citizens in excess of actual taxes paid. As a result, such excess refunds may be

subject to federal income taxation, depending upon other characteristics of the recipient.¹

Property Tax Relief Program. The Wyoming Department of Revenue administers a property tax relief program, authorized in W.S. 39-13-109(c)(iii), and subject to legislative appropriation. A person qualifies for this relief program if their gross income, including the total household income, does not exceed one-half of the median household income in the applicant's county of residence. To qualify, the person must have total household assets that do not exceed \$20,000 per adult, adjusted annually by the Wyoming Cost of Living Index (WCLI), excluding certain items such as one motor vehicle per adult, life insurance, pension or IRA, and household furnishings. A qualified recipient must also be a resident of Wyoming for at least five years.

If deemed qualified, then a refund is granted that generally shall not exceed one-half of their prior year's property tax assessment. Any refund will be reduced by the dollar amount received for that year, if that person also received a veteran's exemption or property tax deferral. Table 2, below, shows the tax refund figures for this program for tax years 2003 and 2004.

Table 2. Property Tax Relief Program.

Tax Year	# Applications	# Aps. Approved	Average Refund	Total Refunds
2003	487	381	\$195.63	\$74,535
2004	609	510	\$217.59	\$110,973

Source: LSO summary of Department of Revenue information.

Veteran's Exemption. W.S. 39-13-105 provides for a property tax exemption for honorably discharged veterans of designated military conflicts, or their widows who have been Wyoming residents for at least three years. The statute annually exempts up to \$2,000 in assessed value of the property owned by qualified veterans, with a general limit of \$800 in total tax benefit over the lifetime of the veteran. (The lifetime maximum does not apply to the widows of veterans.) Disabled veterans may receive an additional annual exemption of \$2,000 in assessed value, prorated based upon the veteran's percent of disability, even if the disabled veteran has received the entire lifetime \$800 benefit. Applications must be filed with the county assessor each May to be eligible for this exemption.

In addition, any unused portion of the property tax exemption previously described may be applied to a veteran's county motor vehicle registration fees. (W.S. 31-3-101(b)(iii)).² These veteran exemption programs are funded through a biennial appropriation to the State Treasurer's Office to ensure that counties extending exemptions to veterans are held harmless. For the 2007-08 biennium, the Legislature appropriated \$2,185,000 to offset impacts to counties for this exemption program. A seven-year history of the amount of the total veteran's exemptions (property tax and vehicle registrations) is illustrated in Table 3.

¹ The intent of this memo is to provide policy background. The memo is not intended to provide income tax advice to individuals, participating in any particular program. Participating individuals are encouraged to seek appropriate, qualified counsel for the full federal tax implications of the state's programs on their income tax obligations.

² In addition to the general county registration fee exemption, veterans who were prisoners of war are exempt from both state and county vehicle registration fees. (W.S. 31-3-101(b)(vi))

Table 3. Historical Veteran's Exemption.

Fiscal Year	Vehicle Registration	Property (real/personal)	TOTAL
1999	\$158,391	\$864,535	\$1,022,926
2000	\$154,757	\$958,774	\$1,113,530
2001	\$151,565	\$811,498	\$ 963,063
2002	\$146,384	\$768,697	\$ 915,081
2003	\$143,786	\$748,921	\$ 892,707
2004	\$143,464	\$745,293	\$ 888,757
2005	\$133,194	\$768,952	\$ 902,145

Source: LSO summary of information available from Department of Revenue Annual Reports and 2005-06 Budget Documents.

Homeowner's Tax Credit. The homeowner's tax credit is authorized in W.S. 39-13-109(d)(i) and is designed to provide property tax relief for homeowners on their principal residence. Homes valued below \$41,052 in full market value receive the highest tax credit and owners with homes worth over \$61,579 in market value receive no tax credit. The amount of the credit is determined by the number of mills applied against the property. Assuming 72 mills are applied, the magnitude of the tax credit has a maximum of \$105.

Importantly, the Wyoming homeowner's tax credit is only available when funded by the Legislature, and this program has not been funded in approximately the last two decades. Unlike other programs, the homeowner's tax credit is not based on age, income, disability status, or veteran status. Rather, eligibility is based on the value of the residence and the fact that the dwelling has been occupied by the applicant.

2. Yes, as indicated above, the Property Tax Deferral Program authorized in W.S. 39-13-107(b)(iii) has historically operated in just two counties (Sheridan and Teton). The county commission must implement the program before it becomes effective in a county.

3. Yes, there are essentially two approaches to this type of "property tax stabilization." First, is a property tax deferral program, based upon the same general concept as Wyoming's property tax deferral program discussed in Question #2, perhaps with some modifications. Second, LSO Research staff identified that at least 13 states have adopted "property tax freeze" programs which generally prohibit increases in property valuations or taxes due, generally for defined populations of property-owning (and, in some cases, renting) taxpayers.

Attachment A, compiled by NCSL in 2002, summarizes the various state's property tax deferral programs. Table 1, below, summarizes various state property tax (or property valuation) freeze programs identified by LSO Research staff through the consultation of numerous sources.

Table 1. Summary of Other State Property Tax "Freeze" Programs.

State	Citation	Summary
Arizona	Article IX, Sec. 18, Arizona Constitution	Constitutional provision applies to residents age 65 or older with total income of not more than 400 percent of supplemental social security income. For qualified individuals, the value of the primary residence shall remain fixed at the full cash value in effect during the year the property valuation protection option is filed and as long as the owner remains eligible.

Arkansas	Amendment 79, Arkansas Constitution	Constitutional provision provides, 2(d)(1) "(A) A homestead used as the taxpayer's principal place of residence purchased or constructed on or after January 1, 2001 by a disabled person or by a person sixty-five (65) years of age or older shall be assessed thereafter based on the lower of the assessed value as of the date of purchase or construction or a later assessed value. (B) When a person becomes disabled or reaches sixty-five (65) years of age on or after January 1, 2001, that person's homestead used as the taxpayer's principal place of residence shall thereafter be assessed based on the lower of the assessed value on the person's sixty-fifth birthday, on the date the person becomes disabled or a later assessed value. (C) If a person is disabled or is at least sixty-five (65) years of age and owns a homestead used as the taxpayer's principal place of residence on January 1, 2001, the homestead shall be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value."
Georgia	Ca. Code §48-5-47.1	Statute provides for an exemption on a person's homestead in the amount equal to the amount of the assessed value of the homestead which exceeds the assessed value of that homestead for the taxable year in which this exemption was first granted. Eligibility criteria require applicants to be 62 years old or older with a maximum income of \$30,000 in federal adjusted gross income.
Illinois	35 Ill. Comp. Stat. 200/15-172	The equalized assessed value is determined based upon a formula for persons age 65 and over who meet certain income limitations. It appears the results of the computation essentially result in a property tax freeze for households with less than \$45,000 in income and reduced property tax increases for households with somewhat higher incomes.
Louisiana	Article VII, Section 18(G), Louisiana Constitution	Constitutional provision provides, "The assessment of residential property receiving the homestead exemption which is owned and occupied by any person or persons sixty-five years of age or older and who meet all of the other requirements of this Section shall not be increased above the total assessment of that property for the first year that the owner qualifies for and receives the special assessment level." [This provision may be modified if a constitutional amendment is adopted in November 2006.]
New Jersey	N.J. Stat. Ann. §54:4-8.67 et seq	Statute provides for taxpayers who are disabled or at least age 65 may request a homestead property tax reimbursement, if they meet certain income limitations and other criteria. Essentially the amount of the refund is the difference between the current year's bill and the bill for the base year; thus, giving the property tax relief policy the effect of a property tax freeze.

New Mexico	N.M. Stat. Ann. § 7-36-21.3	Statute provides for a property valuation freeze for the value of a home owned and occupied by a person who is age 65 or older or disabled, provided their income does not exceed \$18,000, adjusted for inflation.
Oklahoma	Article X, Section 8(C), Oklahoma Constitution	Constitutional provision essentially freezes the fair cash value of the primary residence of an individual 65 years of age or older that meets the appropriate income guidelines. The income eligibility is set at the estimated median gross household income for the county (or statistical area) in which the taxpayer resides.
Rhode Island	R.I. Gen. Laws §44-3-15 et seq; R.I. Gen. Laws §44-3-16, et seq	Rhode Island statutes provide different requirements for their property tax freeze programs, depending upon the community in which the taxpayer resides. Communities may authorize a property tax freeze for single family dwellings in which the head of household is 100 percent disabled and meets certain income requirements. Specific communities may authorize a property tax freeze for owner-occupied residences for those over age 65. Again, there are numerous different local requirements, depending upon the community in question.
South Dakota	S.D. Codified Laws §10-6-31.4; S.D. Codified Laws §10-6A-1 et seq	Statute allows county commissioners to freeze the value of property for taxation for beginning farmers for up to five years. Heads of households who are at least 65 years old or disabled and who meet certain income guidelines are eligible for a real property tax assessment freeze upon their single family dwelling.
Tennessee	Tenn. Code Ann. §67-5-705	Statute provides that each county or municipality has the option to limit the maximum amount of tax on the principal residence of a taxpayer who is at least 65 years of age and whose total or combined annual income is less than or equal to \$12,000.
Texas	Tex. Tax Code Ann. § 11.26; Tex. Tax Code Ann. §11.261	School district taxes are to not to exceed the amount in the first year of qualification on homesteads owned by a taxpayer at least 65 years of age or disabled. Counties, municipalities, and junior college districts have the option of imposing a similar "freeze."
Washington	Article VII, Section 10, Washington Constitution; Wash. Rev. Code §84.36.379 and 381	The Washington Constitution states, "The legislature shall have the power, by appropriate legislation, to grant to retired property owners relief from the property tax on the real property occupied as a residence by those owners. The legislature may place such restrictions and conditions upon the granting of such relief as it shall deem proper. Such restrictions and conditions may include, but are not limited to, the limiting of the relief to those property owners below a specific level of income and those fulfilling certain minimum residential requirements." The Legislature has imposed a type of property tax exemption program for disabled persons and those age 61 and older who meet certain income qualifications. However, additional criteria apply. The program essentially freezes property valuations and exempts property from "excess" property taxes or "regular" property taxes.

Source: LSO Research staff summary. All references listed under "Resources for Further Information" at the end of this document

were consulted. Individual statutes in each of the above states were independently reviewed by LSO Research staff. Despite the consideration of several sources, states not suggested by any of the consulted references, were not reviewed by LSO. As a result, additional property tax freeze programs may exist. Further, this summary is not intended to be a full explanation of each program or the full eligibility criteria. For that information, please review the full citation. Finally, some judgment was used in determining which programs were "property tax freezes", which are properly referred to as "property tax credits" and which are referred to as "general property tax relief."

3.a. According to LSO Legal staff, *freezing* the value of the property or to limit its increase would require a constitutional amendment since the constitution requires that the property be valued at its full market value each year. However, to the extent a program is designed to essentially *defer* some portion of the property taxes due until some future date, i.e., death of the taxpayer or sale of the property, as noted above, Wyoming already has a property tax deferral program in statute. It is presumed to be constitutional unless and until successfully challenged. [If additional clarification is desired regarding this point of Constitutionality, please consult the LSO Legal Division for elaboration.]

3.b. The fiscal impact of property tax deferral programs are generally quite low, as has been the experience in Wyoming, primarily due to low participation rates. In fact, over the long-run, since the revenue is merely being deferred and interest is charged, the impact is merely the difference between the interest rate charged (4 percent) and the return achieved by the PWMTF over the period of deferral. In other words, the cost could be characterized as the foregone investment earnings on the funds used to keep local political subdivisions whole.

In the event the Legislature wishes to further explore the option of a property tax freeze, including consideration of an appropriate constitutional amendment, the following fiscal estimate can be further refined with the benefit of more specific data from the state's property tax database (CAMA), additional input from additional LSO and executive branch staff, and a search for more precise supporting information. That said, a "ballpark" statewide estimate of the fiscal impact, assuming the property tax freeze would apply to all owner-occupied residences for all senior citizens over the age of 65, would be on the order of \$2 million annual impact assuming a fiscal impact effective date of 2010. Many variables such as demographic shifts, inflation in property prices, longevity, etc. make future projections difficult to make with any degree of accuracy. However, certainly the annual cost in the near term would be dwarfed by annual costs in the out years due to the compounding nature of a property tax freeze. It is not difficult to identify assumptions that would yield projected annual costs in the neighborhood of \$75 to \$100 million by approximately 2030, before a more reduced, long-term growth rate, approximating the rate of real estate prices becomes the driver for increased costs.

The above estimates incorporate the following assumptions:

- 2004 U.S. Census Bureau estimate of Wyoming population over age 65: **57,362**
- 2004 U.S. Census Bureau estimate the Wyoming population over age 24 who are also over age 65: **18%**
- Estimated owner-occupied housing: **141,619**
- 2004 U.S. Census Bureau of Wyoming median home value: **\$119,654**
- Municipal mill levy: **71**
- 2003 U.S. Census Bureau estimate of life expectancy of people at age 65: **18.4 years** and at 75: **11.8 years**
- Projected increase in residential property values: **6% compounded annually**
- Percent of 2005 Assessed Valuation attributed to residential land and improvements: **16.5%**

4. Although there are a number of technical differences to the tax relief programs discussed above (and other property tax features already in statute in Wyoming), Wyoming's current statutory programs along with a property tax freeze are generally inclusive of the broad types of property tax

relief programs found in other states.

NCSL classifies residential property tax relief into four primary categories. These broad relief mechanisms include:

- ✓ homestead exemption and credits;
- ✓ circuit breakers;
- ✓ property tax deferrals; and
- ✓ property tax limits.

The specific criteria, benefits, and application of each of these mechanisms can vary widely. However, Wyoming statutes appear to include at least one example of a relief mechanism in each of the above broad categories, with the most opportunity for expansion in the areas of property tax limits. A short explanation of each of these types of mechanisms, along with examples of Wyoming programs that fall into each category can be found below.

Homestead Exemption and Credits. According to NCSL, all but two states (North Dakota and Missouri) have implemented some form of either a homestead exemption or property tax credit. In sum, homestead exemption programs exempt a portion of the value of a residence from taxation. A homestead tax credit indicates that the taxpayer pays the tax in full, but then receives a partial or full rebate at some future time. Credit programs are generally state financed, according to NCSL, and this administrative provision is often used to keep local governments that derive revenue from property taxes whole. Participation can be automatic or require application. Some states target these types of programs to specific groups, e.g., the elderly, veterans, low-income households. Others make them available to the broader population of taxpayers. Wyoming has two examples of this type of program, the veterans property tax exemption and the homeowner's tax credit, recognizing that the latter does not function without a legislative appropriation to trigger its operation.

From a policy perspective, some key considerations include the potential need to impose higher rates on property that does not qualify for the benefit (or in other forms of revenue generation mechanisms, e.g., taxes) due to the lower base of property tax application; the cost and complexity of administration; and the potential effects of cost shifting from typical property tax beneficiaries (local governments) to the state. This cost shifting could result in less accountability on the local government tax expenditures due to the less pronounced link between local government expenditures and revenue if the revenue generation is shifted to the state. Counterbalancing these considerations are the policy benefits of targeted or general tax relief.

Circuit breakers. As defined by NCSL, circuit breaker tax relief programs are designed to assist low to moderate income homeowners and renters. Although the designs vary, the general notion of a circuit breaker tax relief mechanism is the imposition of a relationship between tax benefits, in the form of a credit or exemption, and income. The benefit can either be based upon an absolute threshold or a sliding scale. In Wyoming, one example of this type of program is the property tax relief program which has a qualifying threshold based upon the total household income. According to NCSL, in 2002 Wyoming was among 26 other states with this type of program but one of five states that did not apply a circuit breaker program to renters. However, that is not an entirely correct conclusion. The tax relief program for the elderly and disabled should also qualify as a circuit breaker program as it imposes an income requirement, and according to statute, "each payment represents an allowance for sales and use tax refund, property tax refund and a refund for utility or energy costs". (W.S. 39-11-109(c)(iv)) Therefore, while this program is not available to the general population of renters, it does provide tax relief to the elderly and disabled who may not be homeowners. Further, according to NCSL, only four states allow circuit breaker programs to apply without regard to age. As a result, Wyoming may not be that different from other states electing to offer this benefit.

Some policy considerations of this type of mechanism include lower participation if applications are required; administrative costs; potentially inequitable marginal benefits for participants near the income eligibility threshold. Since most benefits are not tied to a percentage of property taxes due, beneficiaries are not protected against annual increases or changes in mill levies. Finally, as noted previously, restrictions in the tax base through exemptions can result in the need for higher rates on the property that does not qualify for the exemption.

Property Tax Deferrals. This type of tax relief mechanism allows taxpayers to defer payment of some or all of the property taxes due on their residence. Most commonly, but not universally, these programs impose age requirements within the eligibility criteria. These types of programs are quite similar to Wyoming's property tax deferral program. In addition, according to NCSL, five other states also operate these programs at the option of local governments. The deferral can be constructed as a protection against rising tax bills, or as in Wyoming, can be used regardless of the increase in taxes. Consistent with the experience noted above under Wyoming's program, participation rates in these property tax relief mechanisms is generally low, according to NCSL. One reason for the low participation may be the general requirement that the deferred property taxes become a lien against the residence. On the other hand, NCSL concludes, "Deferral programs are the most...cost effective method of alleviating the concern that elderly homeowners might lose their homes because they cannot afford taxes."

Some of the policy considerations of such a mechanism include the low participation and administrative costs, including tracking deferred taxes over time. On the other hand, the mechanism imposes immediate tax relief without removing tax revenue, at least over the long-run.

Property Tax Limits. NCSL includes five subcategories within the broad discussion of property tax limits. Although just one is technically a "relief" mechanism, they all can serve to constrain rising property taxes. Forms of "property tax limits," according to NCSL, include: (i) rate limits; (ii) assessment limits; (iii) revenue rollbacks; (iv) expenditure limits; (v) property tax freezes.

Rate limits either limit the number of mills that can be applied or limit overall taxes to be collected, as a percentage of the property value. In statute, Wyoming generally restricts the number of mill levies that can be imposed by each taxing authority. However, Wyoming does not limit the percentage of taxes as a relation to total property value. Assessment limits restrict the magnitude of tax increases in any single year. These types of provisions are intended to restrict the overall growth of property taxes owed for a specific property in an environment of significantly increasing property values. Assessment limits restrict the burden of existing taxpayers in an area of significantly rising home values; however, the policies can also result in less property turnover and disparities in the tax system. A related tax relief policy is referred to as revenue rollbacks, which mandate political subdivisions reduce their mill levies in an environment of significantly increasing property values. The concept is that during periods of substantially increasing property values, the total revenue collections need not necessarily keep pace with the rate of property inflation. In such an environment, fewer mills applied to a larger base can generate the same (or slightly higher) total revenue.

Revenue rollbacks and expenditure limits indirectly provide property tax relief by either limiting the amount of revenue taxing authorities can collect, particularly at a time of increasing property values, or limiting the amount taxing authorities can spend. Put differently, rather than directly addressing the tax system (*supply* of taxes), these types of provisions artificially mandate the *demand* for government revenue.

Finally, as noted earlier, 13 states identified by LSO impose some form of property tax freeze, which restrict or entirely limit increases in property taxes (or property valuations) when defined eligibility criteria are met. These programs were discussed in detail in the response to Question #3.

RESOURCES FOR FURTHER INFORMATION

Baer, David, *State Handbook of Economic, Demographic & Fiscal Indicators, 2006*, 6th Ed., Public Policy Institute, American Association of Retired Persons (AARP), 2006.

Conklin, Fred, Ed., *2006 U.S. Master Property Tax Guide*, Commerce Clearinghouse (CCH), 2006.

NCSL Fiscal Affairs Program, *A Guide to Property Taxes: Property Tax Relief*, National Conference of State Legislatures (NCSL), November 2002.

If you have any further questions, do not hesitate to contact me at 777-7881.

ATTACHMENT A. PROPERTY TAX DEFERRAL PROGRAMS (NCSL 2002 SUMMARY)

State/Jurisdiction	Age Limit	Income Cap	Description
Arizona	70 and over	\$10,000	Deferral of property taxes on primary residences valued at \$150,000 or less.
California	62 and over	\$24,000	Residential homeowners may postpone payment of property taxes until death, sale of the residence, or cessation of occupancy.
Colorado	65 and over	None	People age 65 or older may defer their previous year's realty taxes. Local option to permit taxpayer to work off tax liability.
District of Columbia	None	None	Qualified owners of residential realty may apply for deferral each year if residential realty tax owed is excess of 110% of the preceding year's tax.
Florida	None	None	The amount deferred is that portion of taxes exceeding 5% of the applicant's household income.
Florida, continued	65 and over	\$10,000	Deferral of all of homestead. (People entitled to the increased homestead exemption may defer that portion of the taxes that exceeds 3% of the applicant's household income.) Interest is imposed on the amount of taxes deferred.
Florida, continued	70 and over	\$12,000	Deferral of all of homestead. (People entitled to the increased homestead exemption may defer that portion of the taxes that exceeds 3% of the applicant's household income.) Interest is imposed on the amount of taxes deferred.
Georgia	62 and over	\$15,000	If the homestead for which a deferral is requested has an assessed value of \$50,000 or more, the deferral applies only to the taxes on the portion of the assessed value that is \$50,000 or less. The total amount of deferred taxes may not exceed 85% of the homestead's value.
Illinois	65 and over	\$30,000	Deferral of the full amount.
Iowa			Recipients of federal Supplemental Security Income (SSI) may suspend property tax payments until property is sold.
Maine	65 and over	\$32,000	Deferral of the full amount.
Maryland	65 and over	Local limits	Local option: Counties and cities may defer realty taxes.
Massachusetts	65 and over	\$20,000 (\$40,000 if adopted by a municipality)	Deferral of the full amount.
Michigan	65 and over	\$10,000 as indexed for inflation	Collection of special assessments on homestead properties of not less than \$300 may be deferred.

ATTACHMENT A. PROPERTY TAX DEFERRAL PROGRAMS (NCSL 2002 SUMMARY)

State/Jurisdiction	Age Limit	Income Cap	Description
Michigan, continued	62 and over	\$25,000	Full deferment of the payment of summer property taxes on homestead property.
Minnesota	65 and over	\$60,000	The maximum deferred amount is 75% of the estimated market value of the home. Also affecting the amount of the deferral is a maximum payment amount, which is 3% of the applicant's prior year's household income.
New Hampshire	65 and over	None	Local option tax deferral may be granted annually for all or part of the taxes due, plus annual interest at 5%. The total tax deferrals on a particular property may not be more than 85% of its equity.
North Dakota	65 and over	\$14,000	Deferral applies to all special assessments.
Oregon	62 and over	\$32,000	Deferral applies to all property taxes and special assessments.
Pennsylvania	None	\$15,000	Local option to defer property tax increases. A deferral may not be granted if the amount of the deferred taxes, the liens on the residence, and the principal remaining on the taxpayer's mortgages for the residence is greater than 85% of the residence's market value. A deferral also will be denied if the outstanding principal on all mortgages is more than 70% of the residence's market value.
South Dakota	70 and over	\$16,000/\$20,000	Deferral applies to all taxes due if the person has owned the dwelling for at least three years has been a state resident for at least five years.
Tennessee	65 and over	\$12,000 (local option to raise to \$25,000)	Local option to defer payment of property taxes. The deferral applies to no more than \$60,000 of the value (local option to remove this limit). In addition, local governments may defer all taxes above 1979 levels if the homestead is less than \$50,000. Deferred taxes are subject to a 10% interest rate.
Texas	65 and over	None	The deferral is for all delinquent property taxes. Interest is added at the rate of 8% per year. Any penalty and interest that was due on the tax bill for the home before the tax deferral will remain on the property and also become due when the tax deferral ends.
Utah	65 and over	Up to county	Local option to defer taxes for the elderly and low-income homeowners.

ATTACHMENT A. PROPERTY TAX DEFERRAL PROGRAMS (NCSL 2002 SUMMARY)

State/Jurisdiction	Age Limit	Income Cap	Description
Virginia	65 and over	\$50,000	Local option to provide a deferral of realty taxes if combined net worth, excluding the value of the dwelling and lot, is not over \$75,000. Specific counties, cities and towns may raise the maximum total combined income.
Washington	60 and over	\$34,000	Deferral applies to 80% of the equity value in the home.
Wisconsin	65 and over	\$20,000	Loans to pay property taxes are available as a property tax deferral. The maximum loan is \$2,500 annually or the amount of property tax. The total loan, with interest, is repaid from the sale of the property.
Wyoming	62 and over	150 percent of federal poverty level	Deferral applies to payment of up to one-half of real property taxes owed on the person's principal residence if it is located on not more than 40 acres of land. The deferral is also available to any owner of residential real property who purchased the property before Dec. 31, 1987.
<p>Source: NCSL, updated using Commerce Clearing House, <i>State Tax Guide 2002</i>; NCSL calls to state legislative fiscal offices.</p>			