

Elderly Tax Relief - 2006

Current Tax Relief Program

The current local tax relief program was established in 2004 and is a system that is based on the state relief program and utilizes the state guidelines for income eligibility brackets. The local program is a complimentary relief program lifting the relief beyond the state funded relief up to a maximum of 75% of local property taxes relieved.

Town Of Somers Program

Maximum combined (state and local) credit amounts range up to 75%. The same income scale of the state program is used and participation in the state program is a prerequisite for the local program.

State Income Scale		Current		Proposed	
		Income	Maximum %	Income	Maximum %
<u>Over</u>	<u>To</u>	<u>Married</u>	<u>UnMarried</u>	<u>Married</u>	<u>UnMarried</u>
\$0	\$13,800	75%	65%	75%	75%
13,800	18,600	65	55	75	65
18,	23,200	50	40	75	50
23,200	27,700	30	20	60	35
27,700	33,900	15	0	40	15

There are currently 95 participants in the program, costing the town approximately \$51,000 in lost tax revenue. The proposed changes will increase the lost tax revenues by approximately \$43,000.

Impact to Elderly

The proposed program ensures that qualifying elderly with income below \$33,900 will receive at least 15% reduction in taxes and up to 75% reduction in taxes.

The average tax bill for a participant in the program is \$2,643.

The proposed program will reduce the average participants tax bill to \$1,116; a 58% reduction.

How to Apply

Applications for the Elderly Tax Credit are available in the Assessor's Office in Town Hall.

Applications are accepted from February 1st to May 15th.

Resolution for the Town Meeting:

The Town of Somers hereby modifies the existing Local Tax Relief Program so as to replace the table in section 3(C) listing the benefits by income level with the following new table:

	Income From	Income To	Married %Max	Unmarried %Max
Step 1	0	13,800	75%	75%
Step 2	13,800	18,600	75	65
Step 3	18,600	23,200	75	50
Step 4	23,200	27,700	60	35
Step 5	27,700	33,900	40	15

The income levels will continue to be adjusted annually by the Assessor to conform with the State tax relief program.