Town Of Hamilton
Special Act

Property Tax Relief

For Senior Citizens

Purpose:

To provide property tax relief to Senior Citizens based upon age, household income and assessed valuation

R.E. Tax Exemption For Senior Citizens

- Caps annual tax at 10% of Total Household Income

But

- Exemption cannot exceed 50% of the annual tax bill

Eligibility

- One homeowner must be 70
- Home is owned and occupied for at least six months (plus 1 day) each year
- Applicant has lived in Town for at least 10 consecutive years
- Total Household Income cannot exceed limits of

  $33,000 if single;

  $49,500 if married filing jointly

Asset Test

- Assessed value <u>less than or equal to</u> Town Median plus 10%

Example:

$403,300 (FY10) plus 10% =

$443,630 based on FY10 median

Program Costs

- Up to $175,000 in the first year for all R.E. tax abatements, excluding State reimbursements ($165,900 now)
- If qualifying exemptions exceed the annual cap, the amount available will be pro-rated among qualifying applicants
- Financed either under the levy limit or by override if insufficient levy capacity
- Costs will be budgeted for every year

Time Table

- ✓ 2009 ATM Approval
- ✓ Legislature voted Home Rule Petition
- ✓ Governor signed Special Act
- Town Ballot on November 9, 2010
- Implementation on July 1, 2011; applications required January 31, 2011
- Re-vote required at 2014 ATM

Revocation

- After 1st year, Selectmen may vote to suspend the program following a public hearing
- A ballot vote could terminate the program
- If ATM does not vote continuation after the first three years

Program Flexibility

Choices available in future years:

--Age limits of 65 or 70

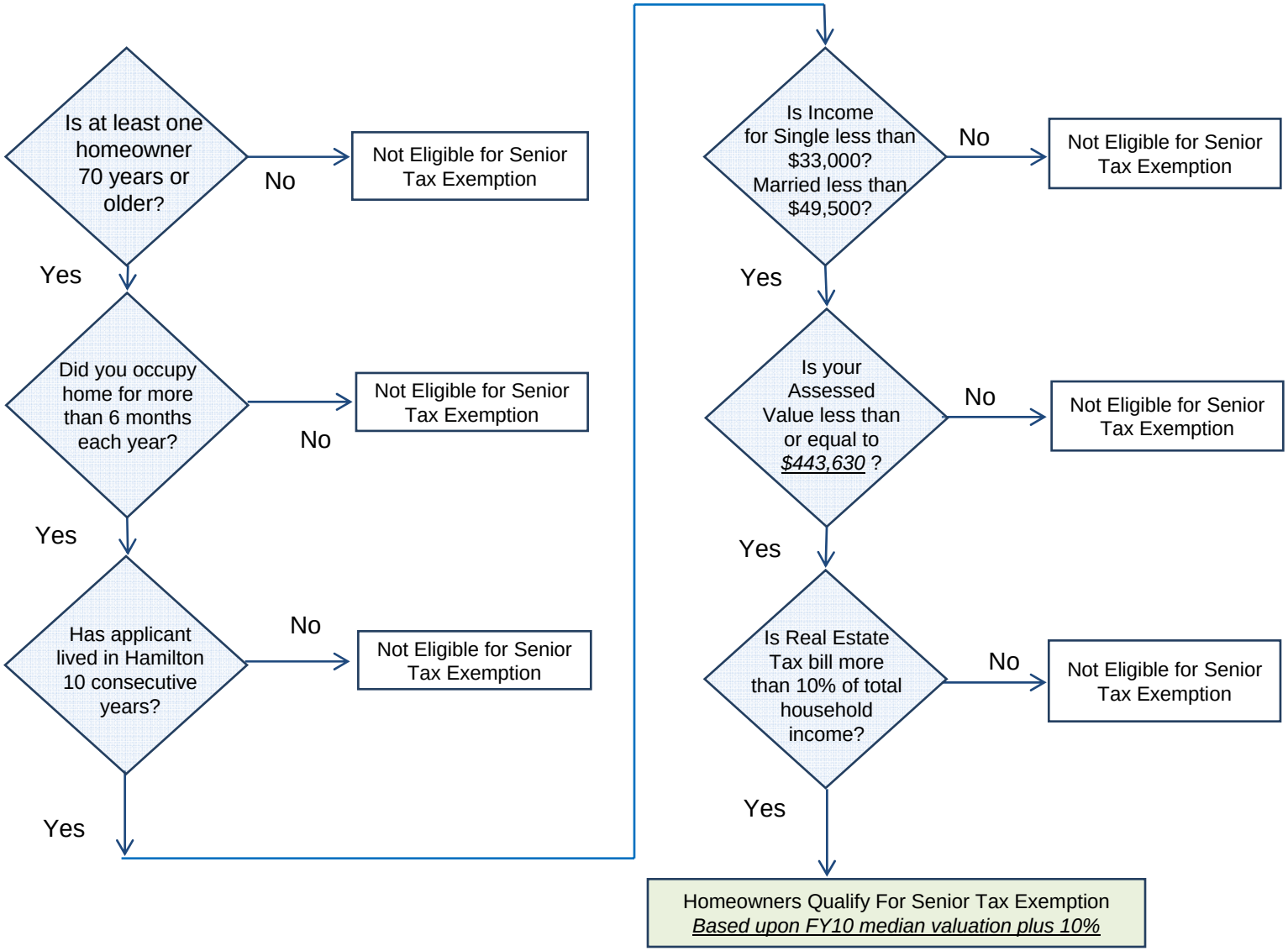
--Total Household Income caps of

Up to $49,499 for Single; and

Up to $74,250 for Married

--Total Exemption limits up to $350,000 per year, excluding State reimbursements

Qualification Criteria



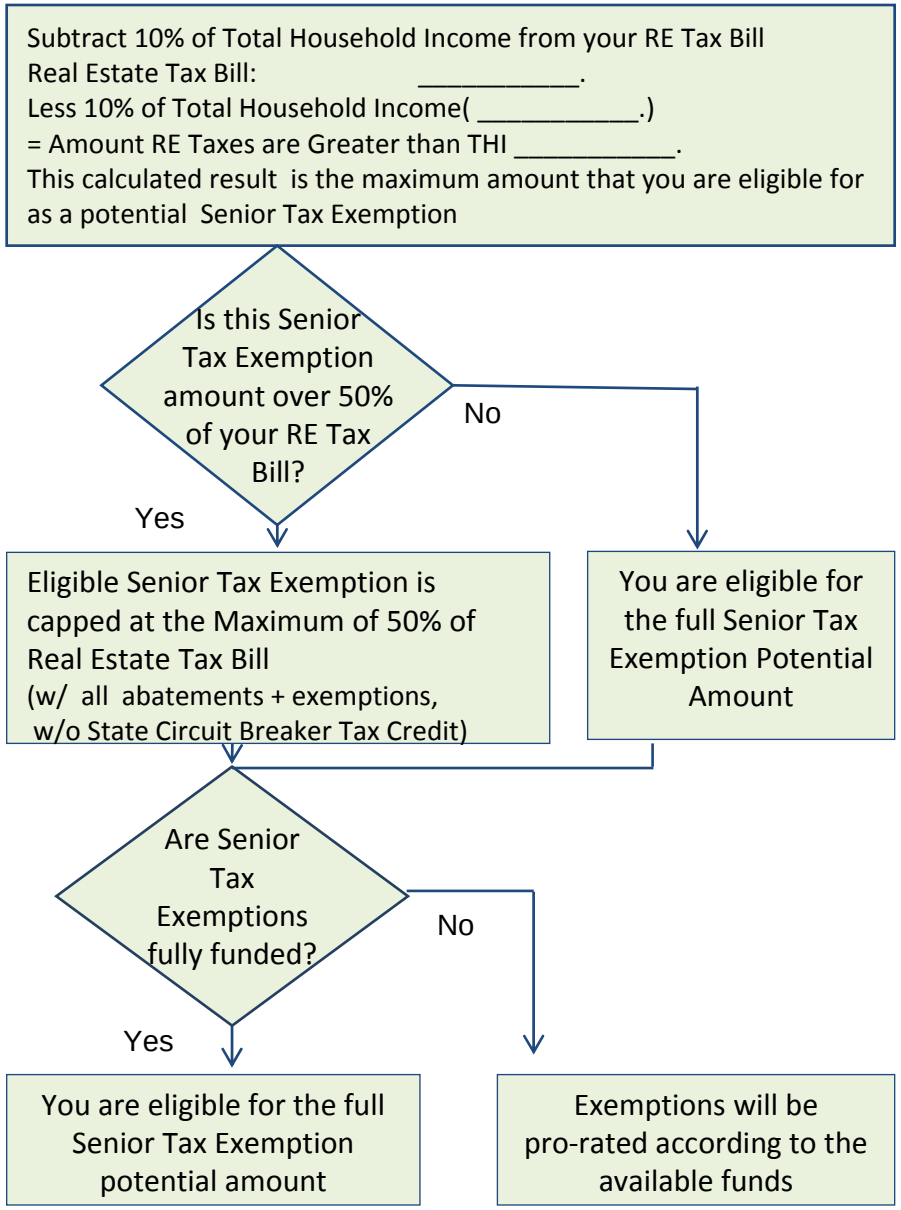
Senior Tax Exemption Calculation

Qualifying Seniors are eligible to have their Real Estate Tax Bill capped at 10% of their Total Household Income

You need to know two items of information:

Total Household Income (THI): _____.

Real Estate Tax Bill: _____.



Example Calculation

Example based upon FY10 property values:

Married homeowners who are both over 70 years old with Total Household Income of $32,000 and living in the home for 10 years. The home is valued at $403,300.

FY10 Real Estate Tax Bill:	$ 6,630.
Less 10% of Total Household Income	(3,200.)
Senior Tax Exemption amount	$ 3,430.

However, the Senior Tax Exemption amount is capped at 50% of the Real Estate Tax Bill ($6,630 x 50% = $ 3,315), so the homeowners are eligible for a potential Senior Tax Exemption of $3,315.