Proposed Changes to the Existing Ordinance

The Tax Relief for the Elderly Committee is recommending that the following changes be made to the 2012 Tax Relief for the Elderly Ordinance:

1. Changes to the assets limitation.
   a) Increase the asset limit from $500,000 to $750,000.
   b) Expand the definition of "assets" to include, in addition to liquid assets, retirement plan assets (e.g.; IRA, 401k, 503b) and non-rental income producing real estate but exclude the value of the applicant's primary legal residence, all tangible personal property contained therein and all motor vehicles.

   The primary motivation for making this change was to eliminate the different treatment of liquid assets from other assets in the current ordinance. By expanding the types of assets included in the limit while increasing the asset limit the committee believes that this change will provide more equitable treatment of seniors while still providing some reasonable limits to program participation.
2. Increase the maximum tax relief credit percent from 42% to 46%.
3. Change the method of calculating qualifying household income to exclude the allowance for business losses shown on an applicant's federal tax return with the exception of farm losses. This change is designed to move the program closer to a cash basis definition of "ability to pay taxes" as opposed to a taxable income basis as the excluded amounts generally do not represent cash outlays or economic losses in the subject tax year.
4. Include in the ordinance a simplified procedure to be followed when an applicant does not have the required current year federal tax return due to having an extension for filing.
5. Include a requirement for an annual report on senior tax relief.
6. Text edits to change effective dates and clarify intent.