



**Town of Easton CT**  
**Board of Finance – Regular Meeting Minutes**

Date/Time: Tuesday February 6, 2024 – 7:00 pm  
Location: Easton Senior Center, 650 Morehouse Road; also on Zoom  
Recording: <https://vimeo.com/showcase/easton-board-of-finance>

- Attendees:** Members in person: Art Laske, Andy Kachele, Ira Kaplan, Jackie Kaufman, Michael Gutowski  
Alternates in person: Gregg Saunders, Maureen Williams, Joe Glavan
- Absentees:** Member Paul Skrtich
- Guests:** Christine Calvert, Treasurer and Finance Director  
Paul Lindoerfer and Doreen Collins, Chair and Member of Tax Relief for the Elderly Committee  
Kristi Sogofsky and Nick D’Addario, Board of Selectmen
- Call to Order:** By Chair Art Laske at 7:03 pm

Art appoints Gregg as alternate in place of Paul Skrtich, per Paul’s request at earlier meeting.

1. (Agenda item #1) Discuss and approve the meeting minutes of January 9, 2024. (7:04)  
Motion to approve minutes as submitted, by Jackie/Gregg. Result: passes 5-0-1 (Mike abstains).
2. Discuss and possible action on the Tax Relief for the Elderly Ordinance. (7:05)  
Paul Lindoerfer presents report and recommendations from the Tax Relief for the Elderly Committee. Paul described how other towns were surveyed for their approaches, explained roles of Tax Assessor, explained the program, its results, and recommended changes with their rationale and anticipated effects. Motion to recommend the adoption of the proposed ordinance to a town meeting as recommended by the committee, by Andy/Jackie. Result: passes 6-0.
3. Discuss and possible action on the Board of Education budget shortfall. (7:51)  
Art gave an overview of the 1/25/24 BOE meeting discussion on the shortfall and the accompanying memo. The are freezing discretionary spending and will request a supplemental allocation with timing and amount TBD, but Chris reports it they will need funding by mid-April, and the BOE is hoping the request is under \$600,000. The memo states “It is anticipated that we will be over-expended in the area of special education by \$1,197,180.” Art notes the BOE is seeking some state reimbursement. Andy notes that we must have either a special appropriation recommendation to a town meeting, or the BOF can seek to apply ARPA funds. No action taken at this time.
4. Discuss and possible action on long term budget discussions, potential topics to include various departments staffing levels. (8:16)  
Art refers us to information submitted on staffing from Library and Police, per prior BOF requests, which will inform our budget discussions. Andy notes another item for future discussion is honorarium for Fire and EMS, and he would like to see detailed eligibility rules on this from the BOS.

5. EMS headquarters update. (8:23)

Art describes email he received from EMS Planning and Building Committee Chair Bill Andrews. He refers to land purchase negotiations and to selection of architects. Andy requests documentation concerning architects and GANTT charts, and Mike notes all planning is contingent on the land purchase.

6. Treasurer's Report. (8:31)

Chris notes seasonal increase in collected taxes.

7. Discuss and possible action on Munis Financial Report for appropriations and revenue presented by the Director of Finance. (8:32)

No action taken.

8. Motion to adjourn by Jackie/Mike. Result: passes 6-0 at 8:33.

Next regular meeting Tuesday, March 5, 2024.

Submitted 2/7/24 by Ira Kaplan, BOF Clerk

# **2024 Easton Tax Relief for the Elderly Committee Report and Recommendations**

## **I. Introduction**

This report describes the Tax Relief for the Elderly Committee's efforts in reviewing the property tax relief offered to Easton seniors over the past three years and makes proposals for revisions to the 2021 Tax Relief for the Elderly Ordinance.

Committee members are:

Paul Lindoerfer – Chairman

Masha Watson - Clerk

Scott Charmoy

Doreen Collins

Christine Lee

Jim Riling

## **II. Committee Charter**

The charter of this committee comes from the 2021 Tax Relief for the Elderly Ordinance. It calls for the committee to perform a triennial study and investigation with respect to property tax relief for the elderly and to prepare a report to the Board of Finance to include:

- A. The fiscal effect to the town of property tax relief for the elderly over the past 3 years
- B. Recommendations on form and effect of relief for the following 3 years.

## **III. Committee Actions**

The committee met six times over the past three months and reviewed:

- All requirements and qualifications for the present tax relief program.
- Data on the tax relief programs of eleven nearby towns.
- Feedback from our Assessor and Assistant Assessor on our current program and how it could be improved.
- Data on past three year's tax relief. See Section IV.

In addition, the committee identified and discussed several potential changes to the ordinance (Section V), as well as their financial impact (Section VI).

The updated ordinance, with recommended changes highlighted, is titled: "2024 Tax Relief for the Elderly Ordinance - edits highlighted" dated 1/30/2024

#### IV. Property Tax Relief Over the Past 4 Years

##### Summary of Results

The table below summarizes the Senior Tax Relief results for 2023 and compares these with results from the three prior years:

	2023	2022	2021	2020
# Seniors Granted Relief	80	89	112	117
Total Relief \$'s	\$168,986	\$210,698	\$254,911	\$260,093
Avg. Relief \$'s	\$2,112	\$2,367	\$2,276	\$2,223
Avg. Qualifying Household Income	\$47,108	\$44,281	\$44,122	\$46,833
Avg. Previous Year Tax Bill	\$10,637	\$10,809	\$10,177	\$10,458
Avg. Tax as % of Income - Before Relief	22.6%	24.4%	23.8%	22.3%
Avg. Tax as % of Income – After Relief	18.1%	19.1%	18.7%	17.6%
# New Recipients this Year	7	7	9	14
# Received relief last year, not this year	16	30	14	12
# Recipients With Tax Filing Extensions	1	0	0	3
# Recipients With Deferrals	11	12	12	9
Estimated Total Deferral \$'s	\$75,124	\$77,905	\$67,310	\$44,732
Estimated Avg. Deferral \$'s	\$6,829	\$6,492	\$5,609	\$5,592

##### Participation

There were 16 seniors who received tax relief in 2023 who did not receive it this year. The Assessor's office attempted to contact each of these seniors to determine their reason for not applying. The reasons these seniors did not apply or did not qualify were:

No longer lives in town .....	4
Deceased .....	4
Over Income .....	5
Uncertain .....	3

#### V. Recommended Changes to the Existing Ordinance

After reviewing the results of the senior tax relief program for the past three years, the Committee recommends that the town make several changes to the ordinance. These changes are designed to make the tax relief program easier to manage and to provide additional relief to the seniors most in need. The basic parameters of the tax relief program, both current and proposed, are shown in the table below.

Basic Tax Relief Parameters		
Item	Current Value	Value After Changes
Age Qualification	65	65
Maximum Qualifying Household Income	\$85,000	\$85,000
Assets Limitation	\$650,000	\$650,000
Maximum Standard Credit Amount	46%	50%
Additional Credit % for Lower Income Seniors	None	5%
CAP on Credit \$ Amount	None	\$5,000
Residency Requirement	5 Years	3 Years
Deferral "pool" amount	\$80,000	\$90,000
Allow medical expenses deduction from income	Yes	No
The estimated cost to the town of the changes in red above is discussed in section VI below.		

In addition to the changes noted above the committee is recommending several changes to the wording of the ordinance. All recommended changes are highlighted in the updated ordinance.

#### VI. Fiscal Effect on the Town for the Next Three Years

The recommended ordinance changes which the committee expects will have a fiscal impact on the town are listed below along with their estimated cost.

Ordinance Section	Change Description	Estimated Cost
12d	Change the amount of time that an applicant must have resided in Easton to be eligible for tax relief from 5 years to 3 years. We estimate that this might affect 1 potential applicant. The average tax relief amount is \$2,300.	\$2,300
19	Do not allow a deduction for medical expenses when calculating the applicant's Qualifying Household Income. This simplifies the tallying of an applicant's Qualifying Household Income. The town will have estimated savings of \$8,600 as a result of this change. The loss of tax relief by applicants is more than compensated for by the requested increase in maximum standard tax relief percentage.	(\$8,600)
20b	Increase the maximum standard tax credit from 46% to 50%.	\$14,800
20f	For applicants with a Qualified Household Income less than or equal to \$40,000 add 5% to the standard tax credit percentage of subsection 20(b).	\$14,500
20g	Add a \$5,000 limit on the amount of tax relief allowed.	(\$4,100)
	Total cost of recommended ordinance changes	\$18,900

## **VII. Recommended Senior Tax Relief Allocation for 2024**

The committee recommends that the Town budget for tax relief for 2024 an amount equal to the tax relief granted in 2023 (\$169,000), plus the estimated amount for the proposed changes (\$18,900), plus a small contingency (\$19,000) for a total of \$207,000.



# MEMORANDUM

**TO:** Easton Board of Education, Easton Board of Finance, Easton Board of Selectmen  
**FROM:** Dr. Jason McKinnon, Superintendent  
 Katherine Matz, Director of Special Education  
 Sara Scrofani, Director of Finance, Operation and Technology  
**RE:** DRAFT - Special Education Services and Projected Budget Impacts  
**DATE:** Thursday, January 25, 2024

## Introduction

We are committed to meeting the needs of all students. In addition, we are legally required to provide special education services to all students with an Individualized Education Plan<sup>1</sup>. We have experienced an increase in the number of students being referred to special education, an increase in the number of PPT meetings, and an increase in the number of students eligible for special education services. This trend has occurred statewide and impacted school budgets. In Easton, these pressures have been exacerbated by staff vacancies. Since we are required to provide special education services, vacancies were filled by outside consultants. The purpose of this memo is to summarize how we are meeting increased demand in special education along with current and projected financial impacts to our 23-24 budget.

## Background

During our November and December Board of Education meetings this year, we signaled to the community that we are experiencing more student referrals to special education compared with the prior year. As a result of increased student identification in special education, we needed to add additional staff. This trend can be viewed in Table 1. Districts across the state of Connecticut have experienced an upward trend in special education identification.

Table 1 Comparison of Special Education Services: December 2022 to 2023

Overview	December 2022	December 2023
Number of students with IEPs at SSES	n=97	n=133
Percentage of students with IEPs at SSES	15.9%	21.3%
Number of students with IEPs at HKMS	n=33	n=31
Percentage of students with IEPs at HKMS	11.4%	11.2%
Total Percentage of Easton Students with IEPs	11.4%	18.1%

## Staff Vacancies

As reported during Board meetings, we experienced several vacancies at the beginning of this school year. These vacancies can be viewed in Table 2. Most vacancies were the result of extensive resignations<sup>2</sup> at the end of last year. Efforts were made to fill these vacancies over the summer, but were not successful due to shortages in these areas and competition in the market for similar positions. As a result, we needed to contract with outside professional agencies to fill these positions. We were able to fill certified vacancies (BCBA, special education teacher, supervisor) after new staff members were released from 30 day holds from their former school districts.

It should be noted that utilizing outside professional services, such as consultants, is a more costly approach on a per day basis than hiring staff. Unfortunately, the lack of available staff in key areas requires the use of consultants to meet students' needs per their Individual Educational Plans. Table 4 provides an overview of the budget impact of vacancies and the use of consultants.

<sup>1</sup> Individuals with Disabilities Education Act (IDEA)

<sup>2</sup> Over n=10 certified staff resigned at the end of last year and some paraprofessionals resigned after the school year started.

Table 2 Staff Vacancies at the Beginning of this Year (Budgeted Positions in 2023-2024)

Position	FTE	Outcome	Timeline
4 Paraprofessionals at SSES	Full Time	Hired Consultants	Fall to Present
2 Paraprofessionals at HKMS	Full Time	Hired Consultants	October to Present
1 Special Education Teacher at SSES	Full Time	Hired Employee	30 day delay
BCBA	Full Time	Hired Employee	30 day delay
Structured Literacy Teacher	.5 FTE	Not Filled	
Supervisor of Special Education	Full Time	Hired Employee	30 day delay

**New Positions**

As Table 1 demonstrates, there has been an increase in the special education eligibility rate by approximately seven percent or n=32 students during the past year. As a result, we have needed to increase special education staff in key areas. In addition, we are finding that students' needs are intensifying along with increased eligibility rates. This simply means that a portion of students are requiring more intensive services. Table 3 provides an overview of new staff we needed to add to meet services needs.

Table 3 Overview of New Special Education Staff (Not Budgeted in 2023-2024)

Position	FTE	Outcome	Location
Occupational Therapist	1.0	Hired Employee	SSES/HKMS
Occupational Therapist	0.8	In process	SSES
School Psychologist	1.0	Open	SSES
Pre-K Teacher	1.0	Hired Employee 1/3/24	SSES
BCBA	0.2	Hired Consultant	SSES
Behavior Technician	1.0	Hired Employee	SSES
Behavior Technician	1.0	Hired Consultant	HKMS
Pre-K Paraprofessionals	5.0	Hired Consultant	SSES
Paraprofessional	1.0	Hired Consultant	SSES
Speech & Language Pathologist	0.4	Hired Consultant	SSES

**Outplacement & Settlements**

Our goal is to meet students' needs within our schools; there is an economic and family benefit when students receive their education in their neighborhood schools. Occasionally, it is necessary to outplace a student to a more specialized school. We project that an additional \$338,314 will be needed to fund unanticipated student outplacement/settlements during this school year. A portion of this money will be reimbursed via the Excess Cost Grant. As a result, we will be able to calculate a reduction to this total.



**Summary**

It is anticipated that we will be over-expended in the area of special education by \$1,197,180. Table 4 summarizes the major areas that are impacted.

Table 4 Special Education Over Budget by Category

Budget Area	Budgeted \$ 23-24	Projected \$ Expenditures 23-24	Projected \$ EOY Balance
Contracted Services	\$56,000	\$829,408.95	-\$773,408.95
Pre-K Salaries	\$36,339.68 <sup>3</sup>	\$121,797.65	-\$85,457.97
Tuition/Settlements	\$276,314	\$614,628	-\$338,314

**Cost Mitigation Strategies**

We are committed to funding the needs of special education students. However, there are cost mitigation strategies that we intend to implement to reduce the impact of the projected overage reflected in Table 4. These strategies include the following:

1. Apply excess cost reimbursement from the State for costs over a certain threshold<sup>4</sup>. We can apply an estimated excess cost reimbursement in the amount of \$150,000 to contracted services, salaries, and tuition/settlements
2. We intend to freeze all “non-critical and non-operational” funds to save \$260,000
3. We anticipate a savings of \$84,000 for electricity
4. We will continue to recruit and hire district employees (especially paraprofessionals), which will allow us to reduce temporary staffing

At present, we estimate that we will surpass the budget allocated for special education by \$1,197,180. However, we expect to mitigate costs by approximately \$597,180 by taking into account factors such as the reimbursement received from the Excess Cost Grant, implementing budget freezes, and closely managing staffing positions and contracted services. After considering these factors, we anticipate a projected shortfall of \$600,000.

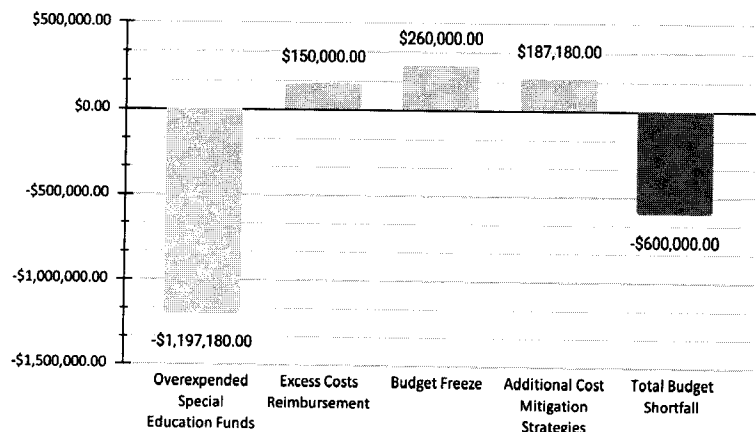
**Summary**

The volatile nature of special education budgeting and staffing challenges have converged to create a complex scenario for Easton.

According to Figure 1, we are projected to have a 23-24 budget shortfall of \$600,000. This projection is subject to change based on the success of budget freezes and cost mitigation strategies.

We appreciate the Board’s input and guidance to plan for the balance of the fiscal year and recommend conversations with the Boards of Selectmen and Finance to discuss the next steps.

Figure 1 Projected 23-24 Budget Shortfall



<sup>3</sup> The shown budgeted 23-24 is low, because it was calculated with Pre-K tuition offset that is not realized  
<sup>4</sup> Excess Cost threshold estimate: 23-24 Per Pupil x 4.5 = \$103,262

**2021-2024 Tax Relief for the Elderly Ordinance  
(With changes recommended by the  
Tax Relief for the Elderly Committee)**

**General and Administration Sections**

Section 1. The Town of Easton amends and restates the ordinance relating to tax relief for elderly homeowners, adopted pursuant to Section 12-129n of the Connecticut General Statutes for eligible residents of the Town of Easton, on the terms and conditions provided herein. This ordinance is enacted for the purpose of assisting elderly homeowners with a portion of the costs of property (real estate) taxation. Tax relief is provided based upon an assessment of the taxpayer's ability to pay taxes.

Section 2. No later than August 15 of every third year commencing ~~2023~~2026, or more frequently at the discretion of the Board of Selectmen, the Board of Selectmen shall appoint a committee of not fewer than five resident taxpayers of the Town of Easton which shall undertake and complete within 180 days following such appointment, or such longer time as the Board of Selectmen shall authorize, a study and investigation with respect to property tax relief for the elderly and, on the basis thereof, prepare a report to the Board of Finance which report shall include the following:

1. With respect to the previous three years, the fiscal effect of such property tax relief on property tax revenues for such years for the Town of Easton; and
2. Recommendations with respect to the form and extent of such property tax relief for the following three years, including estimates of the effect annually of recommended tax relief on property tax revenues.

Section 3. After receiving the report from the Committee on Tax Relief for the Elderly, the Board of Finance shall provide such comments on the recommendations, as it deems appropriate. The Committee on Tax Relief for the Elderly shall consider the comments of the Board of Finance and shall, to the extent deemed necessary and appropriate by such Committee, present revised recommendations to the Board of Finance. When the Board of Finance is satisfied with the recommendations of the Committee, the Board of Finance shall recommend the plan for adoption by the Town at a Town Meeting to be scheduled by the Board of Selectmen. The Town Meeting shall, by majority vote, approve or reject the recommended plan, but shall not amend the plan. If approved, the plan shall remain in effect until such time as a new recommended plan is approved by the Town Meeting. If rejected, a new Committee on Tax Relief for the Elderly, that may, but need not, contain members of the preceding Committee on Tax Relief for the Elderly, shall be convened. Until such time as a new plan for tax relief for the elderly shall be adopted by the Town Meeting, the then current plan shall remain in effect.

Section 4. This ordinance may, but need not be, amended and restated in its entirety in the future. It shall be sufficient to submit as an amendment to the ordinance the provisions of the recommended or approved plan.

Section 5. Under no circumstances shall tax relief provided under this ordinance result in a benefit to the estate of a deceased taxpayer and to the eligible surviving spouse that would be separately, or together, greater than the deceased taxpayer would have received if such deceased taxpayer had lived.

Section 6. If any person entitled to the tax relief pursuant to this ordinance transfers the property on which relief is granted, such tax relief shall be prorated as of the date of transfer of title and the transferee of such property shall pay the Town a prorated share of the tax relief as provided by Section 12-81a of the Connecticut General Statutes.

Section 7. Tax relief under this ordinance shall be allowed only once per year for each eligible principal residence. In any case where title to such real property is recorded in the name of an eligible applicant (including such applicant's spouse) and any other person or persons, the tax relief shall be prorated so as to allow tax relief equivalent to the fractional share of ownership in the property of such eligible applicant (including such applicant's spouse). In any case where such real property is a multiple family dwelling and is occupied by the eligible applicant (including such applicant's spouse) and any other person, the tax relief shall be prorated so as to allow tax relief equivalent to the fractional portion occupied by such eligible applicant (including such applicant's spouse). The Assessor shall determine the proration amount in a multiple family situation.

Section 8. The total of all tax relief granted under this ordinance shall not exceed an amount equal to 4% of the total real estate property tax assessed for the town in the preceding tax year, and if such relief would exceed such amount, it shall be prorated to keep the total amount of Town tax relief within such 4%.

Section 9. The Town of Easton shall not place a lien on any property for which tax abatement is granted under this ordinance in any amount by reason of the granting of such abatement. However, the terms of this section will not in any way affect the right of the Town of Easton to have a lien on such property pursuant to any tax deferral granted under this ordinance or pursuant to any section of the Connecticut General Statutes other than Section 12-129n. Nothing herein shall limit the right of the Town to place a lien on any property for delinquent taxes.

Section 10. This ordinance shall apply to real property taxes as are due and payable commencing the fiscal year beginning July 1, ~~2021-2024~~ and succeeding fiscal years.

Section 11. Each year, subsequent to May 31, the Tax Relief for the Elderly Committee will prepare a report, to be delivered to the Selectmen and Board of Finance, which summarizes the Senior Tax Relief results for the current year and compares these with results from the three prior years. The report, as a minimum, will contain the following information:

- (a) Total amount of tax relief granted.
- (b) The number of seniors that qualified for relief.
- (c) The number of seniors who received tax relief last year but not this year.
- (d) The number of new tax relief recipients this year.
- (e) The number of recipients who have been granted an extension for completing their tax relief application.
- (f) The number of recipients that have been granted tax deferrals.

The report will, in addition, include the recommendation of the committee for the amount to be budgeted for Senior Tax Relief for the next year.

#### **Qualifications for Relief**

Section 12. Any person who owns real property in the Town of Easton or is liable, by reason of life use, for payment of taxes thereon pursuant to Section 12-48 of the Connecticut General Statutes, and who occupies the property as a principal residence, shall be entitled on the annual taxes for such property as are due and payable for the fiscal year (~~beginning July 1, 2021~~), to a credit against the real property taxes on such residence, based on the plan set forth in this ordinance.

This program shall be offered to those persons qualifying even though their current taxes may be in arrears, provided that all of the following conditions are met:

- (a) Such person was 65 years of age or over on December 31 prior to the fiscal year for which tax relief is sought, or his or her spouse was 65 years of age or over on such December 31 and resides with such person, or such spouse was on such December 31, 60 years of age or over and the surviving spouse of a taxpayer who was qualified for and awarded tax relief under this ordinance at the time of his or her death.
- (b) Such person, or such person's spouse, as described in subsection (a), shall have resided in the Town of Easton for a period of ~~five~~three years immediately prior to the fiscal year for which tax relief is sought.
- (c) The property for which the tax relief is sought must be the principal residence of such person, and such person's spouse (if any), for the calendar year immediately prior to the fiscal year for which tax relief is sought. "Principal residence" shall be defined as the residence of a person for at least 183 days in a calendar year. The property must remain the

principal residence of the applicant in any year in which they receive tax relief. However, should the applicant be confined to a skilled nursing home for 365 days or less but intend to return to the property, such person is not disqualified from applying for tax relief.

- (d) Such person or such person's spouse as defined in subsection (a) shall file with the Assessor an application, in a form acceptable to the Assessor, not later than May 15 of the year following the October 1 Grand List. The form shall be prepared by the Assessor and shall require such information as the Assessor may reasonably require and shall be prepared by the Assessor subject to the approval of the Board of Selectmen.

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(e) Assets limitation

In order to qualify, each household must certify that it has a qualifying total asset value (QTAV) not exceeding \$650,000. Qualifying total asset value shall consist of any and all assets of the applicant and spouse (and all other adults living in the household except those excluded in Section 15) as of December 31 (last) including without limitation liquid assets (e.g.; cash, including bank accounts, and marketable securities), retirement accounts (e.g.; IRA, 401k, 403b) and the taxpayer's equity in all other real estate and personal property but shall specifically exclude the value of the applicant's principal residence (as defined in this section), all tangible personal property contained therein and all motor vehicles. The Assessor shall include the affidavit shown in Appendix A of this ordinance in each application form for tax relief.

- (f) If in the Assessor's opinion the taxpayer does not qualify for tax relief, she/he may refuse relief. In the event of a question with respect to income or a claimed exemption of income, or deduction from income, not specifically referred to in Section 15, the Assessor or designee shall make a determination based upon the purposes of this ordinance. The Assessor may also refuse tax relief if there is a question as to whether or not any application is bona fide. Any person refused relief for any reason may appeal to the Board of Selectmen, which may only grant tax relief if in its opinion the Assessor has erred, or where the ordinance is not clear, or in case of extreme hardship or extraordinary circumstances. The Selectmen shall, prior to making a decision, consult with the Tax Relief Committee or its chairman, who may convene the committee for a recommendation. No appeal or other court action shall be brought by any applicant for tax relief more than one year after July 1 of the year in which the tax abatement takes place or would have taken place if granted.

(g) Home Ownership Considerations

(1) If the taxpayer or the property are involved in a trust, the Assessor must see the trust document to determine its effect on "life use" and how income and property tax payments are managed by the trust.

(2) Real Property owned by an LLC is not eligible for tax relief.

Section 13. The Assessor or his or her designee shall determine the income of each applying taxpayer, as defined in Section 15 below. The Assessor or designee shall compile a list of all applying taxpayers who qualify for tax relief. The Assessor or designee shall compute the amount of such relief.

Section 14. Each applicant shall sign an affidavit certifying that the information provided with respect to such applicants' total income in the home is true and accurate to the best of the applicant's knowledge and other information as requested on the application form is true.

#### **Qualifying Household Income Calculation**

Section 15. "Qualifying Household Income" (QHI) shall include the income of the taxpayer, taxpayer's spouse, and all other adults who reside in the household unless such other resident is a full-time student; a person receiving Social Security disability income as a disabled dependent of the taxpayer or other adult resident of the household; or a "renter". A "renter" is a resident of the household who (1) is not related to the applicant (2) pays "fair market rent" and (3) the rental income is included in the applicant's 1040 tax return. Documentation required to determine all residents' income and residence status includes their federal and state income tax returns for the prior tax year, ~~documentation of healthcare and healthcare insurance premium expenses~~ and any other documentation as may be reasonably required in the opinion of the Assessor. Anyone who is applying for tax relief and is not required by the IRS to file a tax return, must provide equivalent income information as determined by the Assessor.

Section 16. If any of the residents do not have the prior year tax returns required by Section 15 due to having an extension on filing such returns a Tax Relief Extension process will be used as follows:

- (a) The application for tax relief must be submitted as normal by May 15 with all required signatures.
- (b) No tax credit will be calculated, and no credit will be applied to the applicant's July tax bill.
- (c) When the required return(s) are finally filed, a copy shall be submitted to the Assessor's office.
- (d) The applicant's tax relief amount, if any, will then be calculated and applied to their January tax bill. The amount will include tax relief for the full year.
- (e) If the applicant does not provide the required tax return(s) by Nov15 no tax relief will be granted for that year.

Section 17. In determining total income in the household, there shall be no allowance for losses, including but not limited to:

- (a) Business losses from Schedule C or Schedule C-EZ, IRS Form 1040 Schedule 1 line 3
- (b) Capital losses, IRS Form 1040 line 7
- (c) Other losses from form 4797, IRS Form 1040 Schedule 1 line 4
- (d) Losses from Schedule E including losses emanating from rental real estate, royalties, partnerships, S-corporations, trusts, etc., IRS Form 1040 Schedule 1 line 5
- (e) Other losses, IRS Form 1040 Schedule 1 line 8a thru 8z
- (f) Except for Farm Losses on IRS Form 1040 Schedule 1 Line 6, which shall be allowed.

The reference to current IRS forms shall include comparable data as contained in any revised IRS forms.

Section 18. If Qualifying Household Income is over the amount shown in Table 1 for "Maximum Income" the taxpayer shall not be entitled to a tax credit.

Table 1 – Income Limits and Abatement Calculation Values					
IRS Tax Year	Town Fiscal Year	Maximum Income	Maximum Income-Based Tax Credit	Tax Credit Adder	Tax Credit \$ Limit
2020-2023	2021-2024 - 2022-2025	\$85,000	4650.0%	5%	\$5,000
2021-2024	2022-2025 - 2023-2026	\$85,000	4650.0%	5%	\$5,000
2022-2025	2023-2026 - 2024-2027	\$85,000	4650.0%	5%	\$5,000

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Section 19. Income of each resident shall be calculated as follows:

#	Income Item	Definition
1	IRS Adjusted Gross Income	AGI as shown on Line 11 of IRS Form 1040
2	Add: Tax exempt interest	IRS Form 1040 line 2a
3	Add: The portion of IRA Distributions exempt from taxation.	IRS Form 1040 line 4a minus 4b (If 4a is blank, skip this step.
4	Add: The portion of pension and annuity distributions exempt from taxation.	IRS Form 1040 line 5a minus 5b (If 5a is blank, skip this step.
5	Add: The portion of Social Security benefits exempt from taxation.	IRS Form 1040 line 6a minus 6b (If 6a is blank, skip this step.
6	Add: Other nontaxable income, if any.	Any other income or funds received and not reported as taxable income on the 1040.
7	Add back: Business losses from Schedule C or Schedule C-EZ	IRS Form 1040 Schedule 1 line 3
8	Add back: Capital losses,	IRS Form 1040 line 7
9	Add back: Other losses from form 4797	IRS Form 1040 Schedule 1 line 4
10	Add back: Losses from Schedule E including losses emanating from rental real estate, royalties, partnerships, S-corporations, trusts, etc.	IRS Form 1040 Schedule 1 line 5
11	Add back: Other losses	IRS Form 1040 Schedule 1 line 8a thru 8z



#	Income Item	Definition
12	INCOME SUBTOTAL	Sum of amounts in lines 1 thru 11 above.
13	Less: ½ of all out-of-pocket health insurance premiums	Medicare Parts B, D, Medicare supplement insurance, Medicare Advantage Plan, other private health care insurance and long term health care insurance
14	Less: Other medical expenses	Typically, the amount from IRS Form 1040 Schedule A, Line 1 (less the amount in Line 13 above) in excess of 20% of the Income Subtotal (Line 12).
15	Self-employed health insurance deduction	IRS Form 1040 Schedule 1 Line 17
16	MEDICAL EXPENSES DEDUCTION	Line 13 + Line 14 – Line 15
12	QUALIFYING HOUSEHOLD INCOME	Sum of amounts in lines 1 thru 11 above, income subtotal – Medical Expenses Deduction

### **Tax Abatement**

Section 20. The tax abatement provided under the terms of this ordinance is in the form of a credit applied to the annual real estate tax bill levied on the applicant's residence. This credit does not ever have to be paid back to the town. The credit is only good for that one year for which the applicant is applying, and if they wish an abatement in future years they must apply for same unless the Assessor notifies otherwise. Subject to all other limitations contained in this ordinance, including those of subsections (f) and (g) of this section, the amount of this tax credit shall be based upon the Qualifying Household Income of an eligible applicant as follows:

- (a) The tax credit amount is calculated as a percentage of the prior year's taxes due before any state or town relief.
- (b) The tax credit percentage shall be a maximum percentage (as shown in Table 1) at zero income on a straight declining line to 0% at the maximum income limit from Table 1.

- (c) The tax credit will be rounded to the nearest dollar.
- (d) In no case shall the tax credit exceed the Maximum Tax Credit percentage of the taxes due from Table 1 times the percentage of ownership.
- (e) The tax abatement provided under this ordinance to a resident or residents shall, in no event, together with any relief received by such resident or residents under the provisions of Section 12-129b to 12-129d, inclusive, of the General Statutes, exceed in the aggregate 75% of the tax which would, except for Sections 12-129b to 12-129d, inclusive, and this ordinance, be laid against such resident or residents. Where the aggregate relief provided exceeds 75%, such resident or residents will receive only that portion of such tax relief equal to 75% of the tax due.
- (f) For applicants with a Qualified Household Income less than or equal to \$40,000 a 5% addition will be made to the income-based tax credit percentage of subsection (b) of this section as shown in Section 21.
- (e)(g) There is a \$5,000 limit on the tax abatement amount for each applicant.

**Tax Abatement Calculation**

Section 21. Tax abatement shall be calculated as follows:

**Basis**

Tax abatement is based on the following:

- Taxpayer's total prior year Qualifying Household Income (QHI)
- Real estate taxes due in the previous tax year
- Percentage ownership
- Maximum tax credit % from Table 1
- Maximum Income qualifying for tax abatement from Table 1

**Tax Abatement Formula**

Tax Abatement = Maximum Tax Credit x Ownership Taxes Due x Income Multiplier

Maximum Tax Credit is:      from Table 1  
 Property Taxes Due are:      (Assessed Value/1000) x Mil Rate  
 Ownership Taxes Due are:      Percentage Ownership x Property Tax Due  
 Income Multiplier is:      [Maximum Income – QHI] / Maximum Income

**Example 1:** For applicants whose Qualified Household Income is greater than \$40,000.

Maximum % credit	= 4650%
Ownership	= 100%
Last year's property taxes due	= \$8,000/10,000
Last year's income	= \$45,000

Income multiplier =  $[85,000 - 45,000] / 85,000 = 0.47$   
 Tax Abatement =  $0.4650 \times 1.0 \times 8,000 \times 10,000 \times 0.47 =$   
~~\$1,730~~ 2,350  
 Assume this year's taxes due =  $\$8,200 \times 10,200$   
 Taxes Due after Abatement =  $\$8,200 \times 10,200 - \$1,730 \times 2,350 = \$6,470,850$

Example 2: With a 5% adder for applicants whose Qualified Household Income is less than or equal to \$40,000.

Maximum % credit =  $4650\% + 5\%$   
 Ownership = 100%  
 Last year's property taxes due =  $\$8,000 \times 10,000$   
 Last year's income =  $\$50,000 \times 35,000$   
 Income multiplier =  $[85,000 - 50,000] / 85,000 = 0.5941$   
 Income Multiplier x Max % Credit =  $0.59 \times 0.50 = 0.30$   
 Inc Mult x Max Credit % + 5% =  $0.30 + 0.05 = 0.35$

Tax Abatement =  $0.46 \times 1.0 \times 8,000 \times 10,000 \times 0.41035 =$   
~~\$754~~ 3,500  
 Assume this year's taxes due =  $\$8,200 \times 10,200$   
 Taxes due on 50% ownership =  $\$4,100$  (Co-owner pays the other \$4,100)  
 Taxes Due after Abatement =  $\$4,100 \times 10,200 - \$754 \times 3,500 = \$3,346,700$

**Tax Deferral:**

Section 22. Tax relief provided under the terms of this ordinance offers the applicant an option to defer the payment of a portion of the annual real estate tax bill as follows:

- (a) After qualifying for a tax abatement, an optional tax deferral shall be allowed.
- (b) The taxpayer may defer up to 75% of taxpayer's remaining tax bill after all other tax relief benefits have been applied.
- (c) The total deferral pool for each year shall be ~~\$80,000~~ \$90,000 plus the excess deferral amount over ~~\$80,000~~ \$90,000 of the last taxpayer to qualify.
- (d) Deferrals will be allocated by income, lowest income first, until all of the deferral pool is allocated.
- (e) Deferral shall apply separately to each year's tax bill (i.e. 2021/2022 taxes of a taxpayer who is awarded deferral for 2021/2022 fiscal year and shall

- continue to be deferred in all subsequent years, without further qualification, until termination as per paragraph (i) below).
- (f) For the next year's ~~(f/y 2022/2023)~~ taxes and every subsequent year the taxpayer must apply and qualify again for deferral and must also fit within the \$80,000.00 allocation as per paragraph c above.
  - (g) Interest. (1) Interest on deferred taxes shall be accrued each tax year at a rate equal to the Town's borrowing cost on its most recent long term bond issue as of January 1 of the previous tax year; (2) The interest rate remains constant for the duration of the lien.
  - (h) Lien. (1) The Tax Collector shall make a list of the deferrals granted for the coming tax year, and shall, as soon as allowed by state statute, file a tax lien on the land records for each deferral granted; (2) The lien shall be filed using a form to be prepared by the Tax Collector. The form shall, inter alia, state the rate of interest applicable for the duration of the lien; (3) Interest will be calculated and applied to the lien according to the Tax Collector's standard practices; (4) This lien will not be subject to foreclosure or tax sale except in accordance with subparagraphs (i) and (j) below; (5) Pursuant to Section 12-129n of the Connecticut General Statutes, any such lien shall have a priority in the settlement of the property owner's estate.
  - (i) Termination. (1) The tax deferral shall terminate, and all accrued interest shall become due and payable, along with the total amount of deferred taxes, upon the taxpayer's sale or transfer of the property, or when the taxpayer no longer resides in the residence on the property, or taxpayer's death, whichever comes first, except that if the title passes by deed or by operation of law (will, intestacy or survivorship) to a qualified spouse, the tax deferral shall continue. (2) If, as a result of unpaid taxes due (other than deferred taxes) or any other delinquent municipal encumbrances or assessments, the property becomes subject to foreclosure or tax sale by the Town, all outstanding tax deferrals shall terminate, and all deferred taxes and accrued interest shall become due and payable.
  - (j) Foreclosure / Tax Sale. Thirty days after termination (but ~~six~~ 12 months in the case of death) the interest rate on all deferred taxes shall resume at the then current tax year's interest rate on deferrals plus 4%, on unpaid taxes due (18% per year) and the Town may thereafter bring foreclosure or tax sale proceedings on all of the unpaid deferral tax liens.
  - (k) Individual deferral limits. For any taxpayer, the total of all tax deferrals (with interest either calculated or approximated at 4% per annum) may not exceed the assessed value of the taxpayer's home, less the then current mortgage (or home equity loan) balances and less any over-due and unpaid Town taxes (with statutory 18% interest on overdue and unpaid town taxes).
  - (l) Prepayment. Deferred taxes may be repaid at any time. A partial prepayment will be applied first to prepayment of interest on the oldest tax lien, then to principal on the oldest tax lien.

(m) Procedure to be followed when an applicant requests a deferral while also having an extension to file federal taxes:

(1) When filing for an extension no tax credit will be applied on the July tax payment. The deferral will be for 75% of the July tax bill after any state tax credit.

(2) After the required income information is submitted to the Assessor the entire year of tax credit will be calculated and deducted from the January tax bill. The amount of deferral allowed will be the amount that makes the total year's deferral equal to 75% of the tax remaining after all credits.

(3) If, after receiving a tax deferral on the July tax bill, the applicant does not submit the required income information by the time limit called for in Section 16(e) or submits income information that has them not qualifying for tax relief, the amount of the tax deferral given on the July tax bill will be considered past due taxes and will incur interest at 18% per year.

**Tax Deferral Calculation:**

Section 23. The tax deferral benefit shall be calculated as follows:

**Basis**

Tax deferral is based on the following:

- Calculation of abatement amount is done prior to deferral calculation
- Calculation of state Circuit Breaker amount is also done prior to deferral calculation
- Amount of taxes allowed to be deferred is 75% of the remaining tax bill after all other tax relief has been taken
- Interest on the deferred taxes is equal to the "Town borrowing rate"

**Tax Deferral Formula**

Tax Deferral = (taxes due – tax relief) x 0.75

Tax Relief = (tax abatement amount) + (Circuit Breaker amount)

**Example**

Last year's property taxes due	= \$8,000
Ownership	= 100%
Last year's income	= \$35,000
Income multiplier	= $[85,000 - 35,000] / 85,000 = 0.59$
Tax Abatement	= $0.4650 \times 1.0 \times 8,000 \times 0.59 = \$2,360$
Circuit Breaker	= \$750
This year's taxes due	= \$8,200
Taxes Due after all relief	= $\$8,200 - \$2,360 - \$750 = \$5,295.090$

Tax Deferral Allowed =  $\$5,2795,090 \times 0.75 = \$3,9593,812$

**Records Retention**

Section 24 – In accordance with the State of Connecticut Municipal Records Retention Schedule for Assessment and Tax Collection (M4), Tax Relief for the Elderly records will be retained as follows:

1. Tax Relief for the Elderly applications will be retained for 3 years as called for in series M4-600 Tax Abatement Requests.
2. Tax deferral and related tax lien records will be retained until one year after the deferred tax is paid per series M4-620 Tax Lien – Deferred Collection.

