

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.