



TOWN OF ENFIELD

REPORT TO THE ENFIELD TOWN COUNCIL
On Expanding Senior Tax Relief

Submitted By:

Senior Tax Relief Committee

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OVERVIEW

The Committee reviewed ordinances from various cities and towns. We also consulted with Town Staff as to how Enfield currently administers the existing state programs that we reference below, as well as discussed budget implications and calculations in order to understand various scenarios based on the town budget, total real property tax assessed, and how the existing State-sponsored tax relief programs work together.

The Town currently participates in a State Senior & Disabled tax relief program under CT General Statutes (s)12-170aa. In 2021, 442 Enfield taxpayers used this program, Although the program should be reimbursed by the State, in 2021 the Town did not receive state reimbursement and paid \$265,463 through its budget to cover this program obligation.

CGS 12-129n allows the Town, at its discretion, to adopt a parallel senior and disabled tax relief program to be funded completely by Town resources.

The Senior Tax Relief Committee has considered such factors as the importance of aging in place, and senior citizens who are raising grandchildren. Increased economic pressures, inflation, and the cost of living was discussed. The goal is to establish another "layer" or category above the current income guidelines in the Circuit Breaker program so as to capture additional participants who are not eligible for the Circuit Breaker program, using the current state program eligibility income cut-off, currently at \$49,100. The Committee liked this concept of addressing taxpayers with income above that amount, and with a maximum income of \$60,000.

The Senior Tax Relief Committee requested the assistance of the Deputy Finance Director and Assessor to establish a recommended program value, relative to the 2023 Grand List, to expand the Senior and Disabled tax relief program. The amount being recommended for the expansion of the Senior and Disabled tax relief program based on demographic data is \$300,000. This will be reserved within the Fund Balance.

The Senior Tax Relief Committee is also proposing the establishment of a new Senior Volunteer tax credit - an annual tax credit of \$400 per household that seniors may earn by performing a minimum of 50 hours of volunteer service between January and December at qualified non-profit organizations.

The first tax credit for the volunteer work that occurs in the timeframe above shall be applied to the tax bill due July 1, 2024.

This Report is being submitted to the Town Council so that the recommendations may be voted by Resolution and incorporated into the 2023 public budget discussion for funding.

There are two parts to the work of the Senior Tax Relief Committee:

1. Senior and Disabled Tax Credit— Local Expansion

The Town of Enfield participates in the State of CT Circuit Breaker: 2021 was 132 applications; 2022 was 355 applications (alternate year enrollment) Approximately 442 applications total.

Current income Brackets: \$0 - \$49,100

Proposal: Expand Income Brackets to incorporate Additional Senior Citizens who are currently not eligible for the existing program. * New Income Bracket: \$49,101 - \$60,000

Age: 65

Spousal Benefit - yes

Eligible Property: ineligible if there are liens or overdue taxes, must be primary residence for the 1 year prior to filing

Application Process: Feb 1 — May 15

2. NEW Senior Volunteer Tax Credit

Qualifying senior citizens who volunteer to provide services to qualifying non-profit entities located in the Town of Enfield shall be eligible for a tax credit on their real property tax bills in accordance with CT General Statutes 12-129n. In order to qualify for such benefits, the senior citizen taxpayer must occupy the property as a principal residence for the 1 year prior to filing.

The Senior Tax Relief Committee recommends \$26,000 to be set aside in the budget to fund this initiative. This program will be on a first-come, first served basis.

The Senior Tax Relief Committee recommends to the Town Council that Town Staff develop guidelines and policies to administer the Senior Volunteer Tax Credit program, including guidelines for qualifications for participating seniors and participating non-profits, and for timing and form of application. The Social Services Dept. will continue to process the Circuit Breaker applications. Both Social Services and Senior Center staff will work together to identify people who may be eligible for the other program(s).

Proposal: Create a Senior Volunteer Tax Credit Program

Tax Credit Amount: \$400 for 50 hours of volunteer work

Age: 65

Income: No Income Requirements (Only one volunteer tax credit per household)

Application Process: Feb 1 — May 15

Eligibility: must have 5 years of residency within Enfield. There are no income limits associated with this program. Spouses may both contribute to the 50 hours; however, only 1 tax credit per household will be given. Under 65 year old spouses of deceased participants may continue to have the benefit. The benefit may be pro-rated if the house is sold or it is no longer their primary residence.

*Current program description and income guidelines attached

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Town of Enfield

Senior Volunteer Tax Relief Program

January 1— December 31

Tax Credit: \$400 per household

Eligibility: Enfield Resident 65 years of age or older, who have owned real property as a principal residence for 5 years, no income requirements.
Complete 50 hours of volunteer service.

- Eligible residents must complete a minimum of 50 hours of volunteer service from January 1 —December 31—at a non-profit agency within the Town of Enfield. The program begins in the calendar year 2023 with the first tax credit being applied for the July 1, 2024 tax bill.
- Upon completion of volunteer hours served, applicants must bring a signed letter from the volunteer organization verifying volunteer service to: Senior Center Director, Enfield Senior Center, 299 Elm St., Enfield CT 06082.
- An extension time of three months, through August 31, 2024, to file for the Senior Volunteer Tax Relief Program will be allowed upon presentation of letter of medical proof from your doctor stating that you were under a doctor's care during the designated filing period of February 1 through May 15.
- Tax Relief funds allocated by the City shall not exceed \$26,000.00.
- Tax credits will be issued on a first come, first serve basis.

Please call the Senior Center with any questions
(860) 745-7425

Or visit the Town of Enfield website and choose the Government tab

Volunteer Agency Options

Volunteer hours must be performed at an Enfield non-profit agency. Agencies not on this list must be approved and verified by the Director of the Senior Center. The following is a non-exhaustive listing of possible volunteer agencies.

- Allied Community Services
- American Legion Posts
- Boy Scouts / Girl Scouts
- Enfield Food Shelf
- Enfield Historical Society
- Enfield Housing Authority
- Enfield Senior Center, Friends of the Senior Center, and associated programs
- Enfield Veterans Council
- Hartford Habitat for Humanity
- Loaves & Fishes
- Local Churches
- Safe Harbor
- Special Event Committees with non-profit status
- Town of Enfield Municipal Agencies, Boards and Commissions
- Youth Sports Organizations

FREQUENTLY ASKED QUESTIONS:

Can an Enfield taxpayer get the Circuit Breaker AND Veterans AND Senior Volunteer Tax credit?

YES

Can a husband and wife share the volunteer hours to earn the Senior Volunteer Tax credit?

YES

My non-profit has an address out of town, but I volunteer for them in Enfield. DO I qualify?

YES. However, the letter that they certify for your hours should include the local Enfield location where you volunteer your time.

The non-profit that I volunteer at is not on the list.

No problem – talk to the Senior Center Director so she can verify the non-profit so you may claim the tax credit.

Do I have to track my own hours?

It's always good to track your time, but to claim the credit, your non-profit must sign a letter certifying that you completed those hours.

Are these tax programs confidential?

The participants in this program will not be listed anywhere. However, it may be subject to Freedom of Information requests.

APPENDIX

(1) Sec. 12-129m Optional municipal property tax relief program for certain homeowners age sixty five or over or permanently and totally disabled.

(a) Any municipality may, by vote of its legislative body on recommendation of its board of finance or equivalent body, provide property tax relief to residents of such municipality, with respect to real property owned and occupied by such residents as their principal residence, or held in trust for and occupied by such residents as their principal residence, who are (1) sixty five years of age and over, or whose spouses, living with them, are sixty-five years of age or over or sixty years of age or over and the surviving spouse of a taxpayer qualified in such municipality under this section at the time of his or her death or with respect to real property on which such residents or their spouses are liable for taxes under section 12-48, or (2) under age sixty-five and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or have not been engaged in employment covered by Social Security and accordingly have not qualified for benefits thereunder, but have become qualified for permanent total disability benefits under any federal, state or local government retirement or disability plan, including the Railroad Retirement Act and any government related teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security, provided such residents or their spouses under subdivisions (1) or (2) above have been taxpayers of such municipality for one year immediately preceding their receipt of tax benefits under this section, and meet the requirements which may be established by such municipality with respect to maximum income allowable during the calendar year preceding the year in which application is made for the tax relief provided in this section. No such property tax relief, together with any relief received by any such resident under the provisions of sections 12-129b to 12-129d, inclusive, and 12-170aa shall exceed, in the aggregate the total amount of the tax which would, except for said sections 12-129b to 12-129d, inclusive, 12-170aa and this section, be laid against the taxpayer.

(b) Prior to initial approval by the legislative body of such municipality of the plan of property tax relief to be provided pursuant to the provisions of this section, the executive authority of such municipality shall appoint a committee consisting of not less than five resident taxpayers of such municipality, which shall undertake and complete within a period not in excess of sixty days following such appointment, a study and investigation with respect to such property tax relief and, on the basis thereof, prepare a report to be presented to the board of finance or equivalent body of such municipality, which report shall include the following: (1) The fiscal effect of such property tax relief on property tax revenue for such municipality; (2) recommendations with respect to the form and extent of such property tax relief. After the initial approval of such property tax relief by the legislative body of such municipality, such plan may be amended from time to time by vote of its legislative body on recommendation of its board of finance or equivalent body without compliance with the requirements of this subsection applicable to such initial approval.

(c) The total abatement of property tax revenue, based on an estimate in any tax year by the board of finance or equivalent body of such municipality, which may be granted in such tax year by such municipality pursuant to the provisions of this section shall not exceed an amount equal to ten per cent of the total real property tax assessed in such municipality in the preceding tax year.

(d) Any such property tax relief granted to any such resident in accordance with the provisions of this section shall not disqualify such resident with respect to any benefits for which such resident shall be eligible under the provisions of sections 12-129b to 12-129d, inclusive, and 12-170aa, and any such property tax relief provided under this section shall be in addition to any such benefits for which such resident shall be eligible under said sections,

(e) Reimbursement of such municipality under the provisions of sections 12-129b to 12-129d, inclusive, and 12-170aa shall be limited to such amount as the municipality would be entitled to receive for revenues lost because of tax relief provided under the provisions of said sections. The property tax relief provided for in this section may, in any case where title to real property is recorded in the name of the taxpayer or his or her spouse and any other person or persons, be prorated to reflect the fractional share of such taxpayer or spouse or, if such property is a multiple-family dwelling, such relief may be prorated to reflect the fractional portion of such property occupied by the taxpayer.

(f) Any municipality providing property tax relief under this section may establish a lien on such property in the amount of the relief granted, provided if the total amount of such property tax relief with respect to any such taxpayer, when combined with any such tax relief for which such taxpayer may be eligible in accordance with sections 12-129b to 12-129d, inclusive, or 12-170aa, exceeds in the aggregate seventy five per cent of the property tax for which such taxpayer would be liable but for the benefits under this section and any of the sections mentioned above in this subsection, such municipality shall be required to establish a lien on such property in the amount that such tax relief exceeds seventy-five per cent of such property tax liability, plus interest applicable to the total of such unpaid taxes at a rate to be determined by such municipality. Any such lien shall have a priority in the settlement of such person's estate.

(g) (1) Any municipality establishing a program of property tax relief under this section shall make persons eligible for such relief if they qualify in accordance with age and income pursuant to subsection (a) of this section and are unit owners of a cooperative.

(2) The amount of annual property tax relief in accordance with this subsection to any such person shall be determined in relation to an assumed amount of property tax liability applicable to the assessed value for the dwelling unit which such person owns and occupies, as determined by the assessor in the municipality in which the cooperative is situated. For purposes of this section the assessor shall determine the assumed amount of property tax liability applicable to the assessed value for the dwelling unit of each such person who is otherwise eligible under this subsection, but such determination shall not constitute a tax bill for purposes of property taxation of such cooperative or any individual dwelling unit thereof. Annually, not later than the first day of June, the assessor in such municipality, upon receipt of an application for such relief, shall determine, with respect to the assessment list in such municipality for the assessment year commencing October first immediately preceding, the portion of the assessed value of the entire cooperative, as included in such assessment list, attributable to the dwelling unit occupied by such person. The assumed property tax liability for purposes of determining the amount of the relief shall be the product of such assessed value and the mill rate in such municipality as determined for purposes of property tax imposed on said assessment list for the assessment year commencing October first immediately preceding. The amount of relief to which such person shall be entitled for such assessment year shall be equivalent to the amount of tax reduction for which such person would qualify, considering such assumed property tax liability to be the actual property tax applicable to such person's dwelling unit and such person as liable for the payment of such tax(4)