



OFFICE OF POLICY AND MANAGEMENT

HOMEOWNERS TAX RELIEF PROGRAM (CIRCUIT BREAKER)

QUESTION AND ANSWER BOOKLET 2024

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HOMEOWNERS TAX RELIEF CALENDAR – 2024 (2023 Program Year)

January 16	Homeowner applications made available to municipality from OPM (Forms M-35H).
February 1	Assessor must notify Homeowner applicants to refile <u>by this date</u> , by regular mail, enclosing an application form and an explanation.
April 15	Last day to receive Homeowner applications in the mail from applicants. After this date applications must be filed <u>in person only</u> .
April 30	Assessor must notify Homeowner applicants <u>by mail evidenced by a certificate of mailing</u> if they have not refiled by April 15.
May 15	Last day to accept Homeowner applications without an approved extension.
June 1	Homeowners claim form made available to municipality by OPM (M-35B).
July 1	Homeowners claim form (M-35B and electronic file upload) are due for submission to OPM.
August 15	Last day for applicants to request from OPM an extension of time to file for the Homeowner programs.
October 1	Homeowner Proration forms due at OPM. (Forms M-35G/M-35P).
December 31	Reimbursements issued to municipality for Homeowners' program.

HOMEOWNERS TAX RELIEF PROGRAM Q&A

BASIC INFORMATION AND REQUIREMENTS:

1. Q. WHAT BASIC REQUIREMENTS AND CONDITIONS MUST BE MET IN ORDER FOR TAX RELIEF UNDER THE HOMEOWNERS PROGRAM TO BE GRANTED IN THE STATE OF CONNECTICUT?

A. The following requirements and conditions must be met:

- (1) Owner (or spouse, if domiciled together) must have been 65 years of age by the end of the calendar year preceding the filing period. Totally disabled persons, regardless of age, are initially eligible provided they have a Social Security Award letter specifying a date of entitlement prior to the end of the calendar year preceding the filing period or an SSA-1099 with Medicare premiums.
- (2) Claimant must own the property for which tax relief is sought; or he/she must hold a tenancy for life use or for a term of years in such property, which tenancy makes him/her liable for the payment of property taxes under CGS Section 12-48 (such life use or life tenancy must be recorded on the town land records for the claimant to be eligible); or he/she must share in such ownership **AND**, in all cases, **must reside** at said property. Such ownership, which must constitute the claimant's principal or legal residence, must have been effective on or before October 1st of the current assessment year. **Principal residence shall be defined as residency of at least 6 months and one day for the program year.**

Applications filed under the disability provision must be accompanied by **current proof of eligibility to receive Social Security disability benefits**. Acceptable proofs include 1) a current disability AWARD letter from Social Security, 2) a computer generated message from Social Security that states the person is disabled and indicates the amount of payment, such as a Benefit Verification Letter or Third Party Query Procedure Form (TPQY), 3) if under age 62, an SSA-1099 which shows that the applicant collects social security benefits under his/her own social security number 4) if applicant has not worked under social security, proof of permanent and total disability from a federal, state, municipal, or other government related program deemed comparable by the Secretary of the Office of Policy and Management.

PLEASE NOTE: BOX 8 OF THE SSA-1099 IS THE CLAIM NUMBER. OFTEN THIS IS THE APPLICANT'S SOCIAL SECURITY NUMBER BUT EQUALLY AS OFTEN THIS IS SOMEONE ELSE'S NUMBER. IT CAN BE THE SPOUSE'S NUMBER OR THE PARENT'S NUMBER. YOU

SHOULD LOOK FOR WHERE THE NUMBER IS DIFFERENT AND ASK IF THE APPLICANT ALSO COLLECTS UNDER HIS/HER OWN NUMBER. SOCIAL SECURITY CODING FOR THE BOX 8 NUMBER IS PROVIDED IN EXHIBIT 1. USEFUL INFORMATION ABOUT THE STATUS OF THE APPLICANT IS AVAILABLE THROUGH THIS CODING.

CGS Section 12-170aa(b) states that people receiving government related disability benefits other than Social Security Disability can be eligible for this program only if they have not been engaged in employment covered by Social Security. Applicants who have worked under Social Security and who have not been found sufficiently disabled for Social Security Disability or who have chosen not to apply under Social Security are not eligible for this benefit. Veterans on V.A. Disability who have insufficient quarters of coverage under Social Security should provide a statement of this information from Social Security and must have a V.A. disability rating of 100% total and permanent.

- (3) Claimant's 2023 total income must not exceed \$43,800 if unmarried, or \$53,400 if married. For married couples, income for both husband and wife must be counted in establishing qualifying income. (Also see INCOME, Question 19.)

2. Q. WHAT IS THE FILING PERIOD, AND WHERE MUST CLAIMS BE FILED?

- A. Any property owner, believing he/she is entitled to a tax reduction under this program, must make application to the Assessor of the municipality in which he/she resides between February 1st and May 15th of the calendar year following the October 1st Grand List date for which tax relief is sought.

3. Q. WHEN MUST AN APPLICANT OR SPOUSE BE 65 YEARS OF AGE, IN ORDER TO FILE A CLAIM UNDER CGS SECTION 12-170aa?

- A. Persons initially filing for tax relief must have been 65 years of age as of December 31 of the previous calendar year. Applicants filing as disabled must have documentation that they were deemed "eligible to receive Social Security disability benefits" as of December 31 of the previous calendar year.

4. Q. IF AN ELDERLY/TOTALLY DISABLED HOMEOWNER OWNS TWO HOMES AND ONE HOME IS LOCATED IN CONNECTICUT AND THE OTHER OUTSIDE OF THE STATE, IS HE/SHE ENTITLED TO TAX RELIEF BENEFITS IN CONNECTICUT?

- A. Yes, provided the claimant is not receiving tax relief benefits as a homeowner in any other state, and provided he/she maintains the home in Connecticut as his/her principal residence. The same concept applies if a claimant owns two

homes in Connecticut. Tax relief may only be granted on one's principal home or domicile. As there is no statutory definition of legal residence, the following questions may be considered in determining whether or not a home constitutes the claimant's principal residence. These questions are not intended to be all inclusive, but are examples that may be asked of the applicant:

1. Is the subject property your principal residence? *
2. Where are you registered to vote?
3. Are you claiming any tax exemptions outside the State of Connecticut?
4. Where are your automobiles, if any, registered?
5. What is the address provided on your federal tax return?
6. Do you have the intent of making the property your principal residence and do you physically and primarily reside there? *

*** Principal residence shall be defined as residency of at least 6 months and one day for the program year.**

5. Q. IS A HOMEOWNER WHO ACQUIRED A HOME DURING THE YEAR ELIGIBLE FOR TAX RELIEF?

A. Yes, provided the claimant owned the home on or before October 1st and occupies such home as his/her principal place of residence. If the claimant purchased the property after the October 1st assessment date, he/she is NOT entitled to benefits until the next Grand List year.

6. Q. WHEN A HUSBAND-AND-WIFE FILE FOR TAX RELIEF, IS IT NECESSARY FOR BOTH TO SIGN THE APPLICATION FORM, AS IN THE CASE OF A JOINT RETURN FOR THE I.R.S.?

A. No. Either the husband or wife, or their duly authorized agent may sign the application.

7. Q. WHO MAY BE CONSIDERED AN AUTHORIZED AGENT?

A. Any person duly authorized by a claimant to act in his/her behalf, with the exception of the Assessor, member of the Assessor's staff, municipal agent, or any other person who works with the applications. As they are responsible for certifying claims for tax relief, a conflict of interest could occur if he/she also acted as an authorized agent in the submission of claims. Social Service agents may not act in this capacity for the same reason.

8. Q. HOW DOES A HOMEOWNER CONTINUE HIS/HER TAX CREDIT UNDER THIS PROGRAM?

A. Tax credits, once filed for and approved by the Assessor, extend for a two-year assessment period. A mill rate or assessment change may alter the amount. After initially being granted tax relief, claimants must reapply for subsequent qualification on a biennial basis. The Assessor in each municipality is charged with the responsibility of notifying each taxpayer to refile biennially. (See Question 12.)

9. Q. WHAT IS THE PROCEDURE FOR A TAXPAYER WHO FINDS THAT DURING THE TWO-YEAR ASSESSMENT PERIOD FOR WHICH TAX RELIEF HAS BEEN GRANTED, HE/SHE IS ENTITLED TO A GREATER OR LESSER TAX CREDIT THAN THAT WHICH WAS CERTIFIED?

A. The taxpayer should reapply. If a larger credit is allowed, it will be applied to that assessment year. The taxpayer **may** then reapply the next year to maintain the biennial filing period or they may refile in the new second year period. **The odd/even designation is optional.**

EXAMPLE: Mr. Smith originally filed for Owners' tax relief on February 25, 2023, for the 2022 Grand List. On March 15, 2024, Mr. Smith files an application for the 2023 Grand List, because his 2023 income was substantially lower than his 2022 income. Mr. Smith may then refile an application between February 1 and May 15, 2025 for the 2024 Grand List, in order to maintain the biennial filing period, **but this is no longer required.** He may wait to file in 2026 for the 2025 Grand List year. (Also, see Question 27.) If there is a change in percentage of ownership from application year, **the taxpayer may reapply in order to receive the proper credit. Pro-rate adjustments will also serve to assure proper credit.**

10. Q. DO OWNERS' BENEFITS FOR THE ELDERLY UNDER SECTION 12-170aa CONTINUE TO THE SURVIVING SPOUSE WITH WHOM APPLICANT WAS DOMICILED AND WHO IS BETWEEN AGES 50 AND 65?

A. Yes, provided the widow/widower continues to meet all the qualifications, provided he/she does not remarry, and provided he/she can prove **they were eligible for the program as husband and wife at the time of the spouse's death.**

11. Q. WHAT IS THE ASSESSOR'S PROCEDURE FOR COMPUTING BENEFITS WHEN THERE IS A MILL RATE CHANGE AND THE APPLICANT IS NOT REQUIRED TO REAPPLY?
- A. The Assessor must recompute the benefit using the new mill rate and using the allowable table percentage (Line 14) that was **established the previous year** when the owner applied.
12. Q. WHEN MUST THE ASSESSOR NOTIFY ELDERLY/DISABLED TAX RELIEF RECIPIENTS TO REFILE ON A BIENNIAL BASIS FOR CONTINUED BENEFITS?
- A. The Assessor must notify each taxpayer concerning refiling requirements by regular mail, not later than the February 1 following the October 1 assessment date for the refile year. Such taxpayer may submit an application by mail provided it is received by the assessor not later than April 15. Not later than April 30 of such year the assessor shall notify, by mail evidenced by a certificate of mailing, any taxpayer for whom an application was not received by said April 15. Any person who did not refile by April 15 is required to appear personally, or his/her authorized agent is required to appear personally at the Office of the Assessor, in order to submit an application by the May 15 deadline.
13. Q. WHAT HAPPENS IF AN ELDERLY/DISABLED PERSON IS NOT RESIDING AT HIS/HER PROPERTY DURING THE REAPPLICATION PERIOD BUT IS, FOR EXAMPLE, IN A NURSING HOME?
- A. If there is an abiding intention on the part of the elderly/disabled homeowner to return to the property, and the property in his/her absence is not rented to another, nor does any condition exist which would preclude the claimant from resuming residence without undue delay, the Owner's tax credit may continue. If an applicant remains in a nursing home for two years, it is then assumed that there is no abiding intent to return to the property.
14. Q. IF ONE SPOUSE OF A MARRIED COUPLE IS A RESIDENT OF A CONVALESCENT HOME OR HOSPITAL, MAY THE COUPLE HAVE BENEFITS UNDER BOTH THE OWNERS' AND RENTERS' PROGRAMS?
- A. No. They must apply under the Owners' Program only.
15. Q. IF TWO UNMARRIED PEOPLE OWN A HOME AS JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP, HOW MUST THEY APPLY FOR THE PROGRAM?

- A. Since the two owners are not a married couple, they must each apply as 50% owners.
16. Q. WHAT HAPPENS IF A CLAIMANT DOES NOT REFILE FOR TAX RELIEF WHEN REQUIRED TO DO SO?
- A. **Claimant may file for an extension request by August 15 of the application year if there is a medical reason**, otherwise, **the benefit is removed**. If the claimant should seek tax relief for a subsequent Grand List year, he/she must apply as a new applicant.
17. Q. HOW ARE THE INCOME LIMITS FOR ELDERLY TAX RELIEF AFFECTED BY THE ANNUAL SOCIAL SECURITY ADJUSTMENT?
- A. The Social Security Income adjustment is applied to the Owners' income limits and calls for adjustment of the income brackets by the Office of Policy and Management. This procedure prevents claimants who have been granted tax credits from being adversely affected by an increased in social security benefits.
18. Q. IS THE MINIMUM GRANT PRO-RATED?
- A. No, except that, if the total tax bill is less than the minimum credit, the minimum credit will be adjusted down to the amount of the tax.

INCOME:

19. Q. WHAT CONSTITUTES QUALIFYING INCOME FOR HOMEOWNERS SEEKING TAX RELIEF CREDIT?
- A. Owners' 2023 total income must not exceed **\$43,800** for unmarried persons, and **\$53,400** for a married couple. "Qualifying income" is defined as all taxable and nontaxable income. This definition includes taxable income as may be reported for Federal Income Tax purposes, as well as non-taxable income. All monies received are to be considered part of qualifying income, unless specifically exempted. Although the following are not intended to be all inclusive, examples of **items to be included as part of qualifying income are as follows:**
- Wages, bonuses, commissions, gratuities and fees, self-employment net income (do not include depreciation expense)

- **Net** Social Security (Box 5 from SSA-1099), Federal Supplemental Security Income, payment for jury duty (excluding travel allowance)
- Dividends and interest
- IRA – include only “taxable” amount, (if taxable amount not determined then use full “total distribution” from 1099)
- Black Lung payments
- Green Thumb payments
- Interest or proceeds resulting from gifts received
- Lottery winnings
- Net income from sale or rental of real or personal property (do not include depreciation, receipts for expenses required when no tax return has been filed)
- Pensions and annuities – include only “taxable” amount, (if taxable amount not determined then use full “total distribution” from 1099)
- Veteran’s pension and veteran’s disability payments
- Railroad retirement
- Severance pay; UNEMPLOYMENT compensation (including any extra unemployment payments received under the CARES Act of 2020)
- Worker’s compensation
- Alimony
- DSS cash assistance (SAGA or state supplement)
- Legal Settlements – Net Proceeds
- Dependency and Indemnity Compensation from Dept. of Veterans Affairs
- Cancellation of Debt
- If property is owned in trust any distributions received from the trust (verified with a copy of the trust federal tax return)
- Capital gains total from previous year only (a capital loss carryover from a previous year should be excluded from qualifying income calculations)

20. Q. WHAT TYPES OF INCOME ARE SPECIFICALLY EXEMPT FROM BEING REPORTED AS PART OF QUALIFYING INCOME FOR PURPOSES OF THE HOMEOWNER PROGRAM?

1. Social Security payments specifically for a dependent person (minor child or dependent individual).
2. Casualty loss reimbursements by insurance companies.
3. Gifts, bequests or inheritances – only if non-taxable. Any part of an inheritance that must be reported as taxable income must be included as income for the program. (any interest or other income produced by the gift, bequest or inheritance must be also included as income).

4. Grants for disaster relief.
5. Income derived through volunteer service under the Domestic Volunteer Service Act of 1973, as amended (such as stipends earned under the Foster Grandparents' Program, Retired Senior Volunteer Program, Senior Companion Program, Community Training under DDS, etc.).
6. Income derived through the Federal Senior Community Service Employment Program.
7. Life insurance proceeds.
8. A married homeowner whose spouse is a resident of a health care or nursing home facility in Connecticut that is receiving payment related to such spouse under Title XIX Medicaid, need not declare the spouse's Social Security income paid to the facility.

The following must be submitted with the homeowner's application—

- (1) Proof that the spouse is in a CT health care or nursing home facility,
- (2) The name and address of the facility,
- (3) The period during the benefit year that the spouse was in the facility,
- (4) The period during the benefit year that the spouse was on Title XIX Medicaid.

The statement of proof shall be on the facility's letterhead and signed by the Administrator or other nursing home official.

9. Food stamps; fuel assistance; child support payments and TANF payments.
 10. Reverse mortgages (return of capital).
 11. Stimulus payments received under CARES Act of 2020
21. Q. ARE ELDERLY/DISABLED PERSONS RECEIVING MEDICAL ASSISTANCE UNDER TITLE XIX ("MEDICAID") FROM THE STATE OF CONNECTICUT, ELIGIBLE FOR TAX RELIEF UNDER CGS SECTION 12-170aa?
- A. Yes, providing all other eligibility requirements are met.

22. Q. DOES AN ELDERLY/DISABLED CLAIMANT RECEIVING FOOD STAMPS QUALIFY FOR TAX RELIEF?
- A. Yes, if all other qualifications are met. The amount of the food stamp allotment is not considered part of qualifying income.
23. Q. IS A CLAIMANT REQUIRED TO PRESENT A COPY OF HIS/HER ANNUAL FEDERAL INCOME TAX RETURN TO THE ASSESSOR OF THE MUNICIPALITY WHERE HE/SHE IS APPLYING FOR BENEFITS?
- A. Yes. Statutory requirements state that, if a return is filed, a copy must be presented to the Assessor of the municipality. If the claimant does not file a Federal Income Tax Return, the Assessor may require that any and all other proofs of income, (1099 Int, 1099 Div, etc.) as may be necessary for approval of the application, be presented.
24. Q. CAN A TAX LOSS (AS SUBSTANTIATED BY AN INCOME TAX RETURN) BE USED TO OFFSET OTHER APPLICATION INCOME, IN THE ESTABLISHMENT OF QUALIFYING INCOME FOR TAX RELIEF?
- A. No. If a claimant has an income loss on any line of the tax return the assessor should **NOT** subtract that loss from the calculation of qualifying income. Rather than subtracting the loss the assessor should consider zero income for that line of the tax return. (This applies to any page of the tax return: Form 1040, Schedule 1 or any other schedule required to be filed).
25. Q. CAN PARTICIPANTS IN A STATE OF CONNECTICUT SANCTIONED CIVIL UNION OR SAME-SEX MARRIAGE RECEIVE STATE TAX RELIEF BENEFITS AS A SPOUSE THE SAME AS MARRIED COUPLES?
- A. Yes. Please see Question 26 for Income treatment. Also, survivor benefits apply.
26. Q. HOW SHOULD THE INCOME OF A HUSBAND AND WIFE BE TREATED?
- A. The incomes of both the husband and wife should be added together in establishing qualifying income, even though separate Income Tax Returns may have been filed.

27. Q. HOW SHOULD THE INCOME OF A HUSBAND AND WIFE WHO ARE LEGALLY SEPARATED AND MAINTAINING SEPARATE RESIDENCES BE TREATED?

A. Per CGS Section 12-170aa an applicant who is "legally separated", as of the thirty-first day of December preceding the application date, may apply as an unmarried person and shall be regarded as such for purposes of determining qualifying income for this program.

28. Q. WHEN A SPOUSE DIES DURING THE CALENDAR YEAR PRIOR TO THE FILING PERIOD FOR ELDERLY TAX RELIEF, SHOULD THE SURVIVOR INCLUDE BOTH INCOMES ON THE APPLICATION FORM?

A. Yes. The surviving spouse would file his/her tax relief application in the same manner as mandated by the I.R.S. for the filing of Income Tax Returns. Both incomes (husband and wife) must be declared. In the next program year, if the applicant believes it would be advantageous to refile as unmarried, he or she may do so. (Also, see Question 9.)

29. Q. IS THE ESTATE OF A HOMEOWNER WHO HAS DIED PRIOR TO THE FILING PERIOD ELIGIBLE TO APPLY FOR THIS PROGRAM?

A. No. The applicant must be alive at the time of filing the application (between February 1 and May 15) in order to be eligible for the program.

30. Q. WHAT HAPPENS IF AN ELDERLY/DISABLED TAX RELIEF RECIPIENT'S INCOME EXCEEDS THE INCOME LIMITATION FOR ONE YEAR?

A. If the **\$43,800-** or **\$53,400-**income limit is exceeded, the applicant is denied relief for the year.

31. Q. WHAT TYPE OF EVIDENCE IS REQUIRED TO DOCUMENT INCOME FROM SOCIAL SECURITY?

A. There are 3 options:

(1) Form SSA-1099, received annually by February 1st. (Applicants can request a copy of their SSA-1099 by creating an account on the social security website at ssa.gov OR they can request a copy by mail).

(2) TPQY or a benefit verification letter.

(3) Photocopy the recipient's current check, or checks for both spouses, if separately issued. This method is a last resort. The check(s) must be adjusted to reflect the previous year's income. (See Question 32.)

32. Q. THE CURRENT YEAR (2024) **DOES** INCLUDE A COST-OF-LIVING ADJUSTMENT (C.O.L.A.) IN A SOCIAL SECURITY RECIPIENT'S CURRENT CHECK. HOW DO YOU DETERMINE THE PRIOR YEAR'S (2023) INCOME?

A. You may calculate the prior year's income as follows:

- (1) In 2024 applicant receives \$390.00 per month
- (2) **C.O.L.A. increase for 2024 is 3.2%**
- (3) $1 \text{ minus } .032 = 0.968$
- (4) $\$390.00 \times 0.968 = \377.52 ; use \$378.00

Net 2023 Social Security income would be \$378.00 per month times 12 months plus Medicare premiums. The Amount of Medicare premium to be added for the year 2023 is \$1,978.80 for unmarried applicants or \$3,957.60 for married/civil union applicants.

33. Q. IF A SPOUSE RESIDES AT A CONVALESCENT HOME, ARE THE BENEFITS RECEIVED UNDER TITLE XIX INCLUDED IN QUALIFYING INCOME?

A. No. These benefits are not counted because the State will be reimbursed for its expenses by filing a lien on the property. Eventually, title to the property will transfer to the State. If title transfers in increments, a proration (Form M-35G) must be issued to reflect each transfer. (See Question 20, Answer - Part 8, which addresses married Homeowners only. It does not apply to unmarried owners).

34. Q. HOW IS INCOME FROM RENTAL REAL ESTATE CONSIDERED ON THE HOMEOWNERS APPLICATION?

A. If a homeowner claims rental income on line 8 of 2023 Form 1040 and line 5 of 2023 Schedule 1 you should require that the homeowner also submit a Schedule E to support the amount of rental income. On Schedule E you should remove 'Depreciation' from the list of expenses and then recalculate the net real estate income without depreciation. This will, in turn, affect the total income on Form 1040, for purposes of this program, and the 'Qualifying Income' on the application.

35. Q. HOW DOES A NET OPERATING LOSS (NOL) CARRYOVER FROM A PREVIOUS YEAR AFFECT AN APPLICANTS QUALIFYING INCOME?

A. A NOL carryover from a previous year does not affect the applicant's current year "qualifying income". The NOL carryover should be considered as zero income on Schedule 1 of Form 1040 and the applicant's total income should be recalculated for purposes of Qualifying Income for this program.

36. Q. HOW DOES A CAPITAL LOSS CARRYOVER FROM A PREVIOUS YEAR AFFECT AN APPLICANTS QUALIFYING INCOME?

A. A capital loss carryover from a previous year does not affect the applicant's current year "qualifying income". The capital loss carryover should be considered as zero income on Schedule D of the applicant's tax return and the applicant's total income should be recalculated for purposes of Qualifying Income for this program.

37. Q. IF A HOMEOWNER'S SSA-1099 INCLUDES INCOME PAID FOR PREVIOUS YEARS WHAT AMOUNT IS CONSIDERED QUALIFYING INCOME FOR THE PROGRAM?

A. The amount shown in Box 5 of the SSA-1099 should be considered "qualifying income" for the program. "Qualifying income" includes all income received during the application year, including any amount paid for a previous year.

PROPERTY ON WHICH TAX CREDITS MAY BE APPLIED:

38. Q. WHAT QUALIFIES AS PROPERTY ON WHICH BENEFITS MAY BE GIVEN?

A. Whatever is located on the **"standard building lot"** is **acceptable**; **"excess acreage" is not included**. The definition also includes mobile homes, life care facilities, modular homes, condominiums, and dwellings on leased land. **Mobile homeowners have the option of filing as renters (CGS Section 12-170d) OR as homeowners (CGS Section 12-170aa), but NOT BOTH**. For owners of mobile homes who elect to apply as homeowners, one of two property tax situations will apply. If the claimant owns both the mobile home and the land beneath it, the credit is calculated on both land and dwelling. If the claimant owns the mobile home but leases the land, the credit is calculated on the dwelling only.

39. Q. CAN A TAXPAYER RECEIVE A TAX CREDIT ON ALL REAL PROPERTY (FOR EXAMPLE: EXCESS ACREAGE IF CONTIGUOUS?)

A. No. The claimant is entitled only to tax relief based on actual taxes assessed on the dwelling/buildings on the "standard building lot" where he/she resides. The "law of curtilage" applies. Curtilage is defined as a yard, courtyard or other piece of ground included within a fence surrounding a dwelling. The Office of Policy and Management will recalculate tax credits due any claimant, should an audit reveal an assessment amount listed under what used to be Category 1-2 (excess acreage) on the old Grand List Abstract.

40. Q. DOES AN ELDERLY CLAIMANT WHO OWNS A BUILDING WITH MORE THAN FOUR UNITS QUALIFY FOR TAX RELIEF?

A. Yes. An Attorney General's opinion ruled that the State could not withhold benefits from otherwise qualified elderly persons who own and reside in multi-unit dwellings of four or more units.

PARTIAL INTEREST, LIFE ESTATES AND TRUSTS:

41. Q. IF PROPERTY IS HELD IN TRUST FOR AN ELDERLY PERSON, CAN HE/SHE QUALIFY FOR ELDERLY TAX RELIEF, PURSUANT TO SECTION 12-170aa?

A. Yes, in certain situations tax relief may be granted. The main criteria for tax relief still apply, i.e., residency, income, responsibility for property tax payment, etc. Trust agreements must be reviewed on an individual basis by the Town Attorney, in order to determine that the trust agreement is in conformance with the provisions of Section 12-48, before the Assessor can certify a claim for elderly tax relief. The primary ingredient of the trust agreement is that the owner and such owner's spouse are the grantor and beneficiary of the trust.

42. Q. IN A LIFE TENANCY SITUATION UNDER CGS SECTION 12-48, IS A LIFE TENANT ENTITLED TO TAX RELIEF UNDER THIS PROGRAM?

A. Yes, the claimant is entitled to a tax relief benefit, if he/she retains life tenancy (a.k.a. life use) in the property, as long as he/she is responsible for the property taxes and meets all other owner program requirements.

43. Q IN A LIFE USE/LIFE TENANCY SITUATION MUST THE DOCUMENTS GRANTING LIFE USE/LIFE TENANCY BE FILED ON THE TOWN LAND RECORDS?

A. Yes. CT is a recording state, therefore, any documents granting life use/life tenancy must be filed on the land records in order to be recognized for this program.

44. Q HOW ARE TAX CREDITS HANDLED IF A PERSON SHARES OWNERSHIP OF PROPERTY WITH ANYONE OTHER THAN HIS/HER SPOUSE?

A. Two or more persons owning real property may be eligible for tax relief. Each shall have to apply and qualify separately, and the credit will be apportioned according to the amount of ownership interest. Exemptions are to be assigned to the person who is entitled to them.

45. Q IS AN "INHERITOR" ELIGIBLE FOR TAX RELIEF WHEN THE PROPERTY IS IN AN UNSETTLED ESTATE, HOW IS THAT HANDLED?

A. In general, YES, if all eligibility requirements are met, but see CGS Section 12-170i for additional requirements.

COMPUTATION OF TAX CREDITS:

46. Q IS THE ASSESSOR RESPONSIBLE FOR COMPUTING BENEFITS DUE?

A. Yes, but subject to audit by the Office of Policy and Management.

47. Q HOW SHOULD THE TAX CREDIT BE COMPUTED IF THE CLAIMANT OWNS LESS THAN 100% INTEREST IN THE SUBJECT PROPERTY?

A. FIRST, and most important, the full qualifying * "Property Gross Assessment" MUST be put on the application. SECONDLY, the ownership percentage (item 10), MUST be some amount Less than 100%. When this percentage is then applied to the qualifying "Property Gross Assessment" it results in the correct "Applicant's Gross Assessment". **REMEMBER**, the actual ownership percentage affects the maximum credit allowed, which is why it is critically important that 100% NOT BE USED when an applicant owns less than all of the property. Also, be sure to assign exemptions to the person who merits them.

*Qualifying means: The local, standard building lot including the residence and other buildings there on and does not include excess acreage.

EXAMPLE: John, Mary, and Bridget Kelly, who are elderly unmarried siblings, own a three-family house. The property tax bill based on the 2023 Grand List is \$2,541. John Kelly's income for 2023 is \$31,900; Mary's income is \$25,500 and Bridget's income is \$13,100. Each of them file an application for tax relief. The maximum credit each could receive is determined as follows:

For John, maximum credit of \$500.00 divided by 3 equals \$166.66. For Mary, maximum credit of \$750.00 divided by 3 equals \$250.00. For Bridget, maximum credit of \$1,000.00 divided by 3 equals \$333.33. Each could receive the adjusted maximum credit (adjusted by the ownership %).

48. Q. HOW SHOULD THE TAX CREDIT BE COMPUTED IF THE MUNICIPALITY OFFERS A LOCAL OPTION FREEZE PROGRAM?

A. If a municipality offers a local option freeze program the frozen tax should be used to calculate the state tax credit. The frozen tax should be entered in line 13a of the application and multiplied by the allowable table percentage on line 14 of the application to calculate the state tax credit.

49. Q. IS THERE ANY REASON WHY A QUALIFIED OWNER WOULD RECEIVE LESS THAN THE APPROPRIATE MINIMUM BENEFIT?

A. Yes, but only if the taxes due are less than the minimum. In that case the minimum would be reduced to the amount of taxes due. In all other cases, **at least** the minimum credit would be given.

50. Q. HOW IS THE TAX CREDIT CALCULATED IF THE CLAIMANT HAS PURCHASED THE HOME DURING THE CALENDAR YEAR?

A. If the ownership appears on the October 1 Grand List of the program year, and all other conditions and requirements are met, he/she is eligible for tax relief. Otherwise, the claimant must wait until the next program year to become eligible.

51. Q. WHAT IF AN APPLICANT'S PROPERTY IS SPLIT BETWEEN TWO TOWNS?

A. The applicant can apply for tax relief in both towns. The assessment should be adjusted based on the property split. HOWEVER, the combined tax credit for the two towns cannot equal more than the maximum credit allowable, based on income. This may require that the assessors from both towns discuss the situation, and each make appropriate adjustments.

MISCELLANEOUS:

52. Q. WHAT ARE "SPECIAL ASSESSMENTS" AND ARE THEY INCLUDED WITH PROPERTY TAXES FOR REIMBURSEMENT FROM THE STATE?

A. Examples of special assessments are sewer, sidewalk, fire district, special improvements districts, and similar "user" assessments. Special assessments are **not** normally reimbursed by the State. Only actual real property taxes, excluding interest and lien fees, are the basis for reimbursement.

53. Q. IN COMPUTING TAX CREDITS UNDER THE OWNERS' PROGRAM, SHOULD THE ASSESSOR INCLUDE THE TAXES ASSESSED AGAINST CITIES AND BOROUGHES?

A. The property taxes of towns, consolidated towns and cities, and consolidated towns and boroughs, are to be included under the Owners' program. The crediting of property taxes of cities and boroughs not consolidated with towns must be handled on an individual town basis. Assessors involved with these municipalities should contact the Office of Policy and Management for the proper procedure.

54. Q. WHAT RECOURSE DOES A TAXPAYER HAVE IF HE/SHE IS DENIED TAX RELIEF BY THE ASSESSOR, OR IF HE/SHE DOES NOT AGREE WITH THE AMOUNT OF THE CREDIT COMPUTED BY THE ASSESSOR?

A. CGS Section 12-170cc allows for an appeal to be submitted by the claimant, in writing, within thirty (30) business days of date of notification of denial, or notification of a change in tax credit. Said appeal must be made to the Secretary of the Office of Policy and Management. The Secretary has thirty (30) business days in which to grant or deny the claimant's appeal, and must notify the claimant of his/her decision regarding the appeal. If the appeal is denied, the claimant then has the right to request, in writing, a hearing before the Secretary.

55. Q. WHAT EXEMPTIONS ARE TO BE DEDUCTED FROM THE GROSS ASSESSMENT? (LINE 11, Form M-35H.)

A. Blind, CGS Section 12-81(17)
Veterans, CGS Section 12-81(19-26)
Totally Disabled, CGS Section 12-81(55)
Additional Veterans, CGS Section 12-81g
Local options

FILING OF CLAIMS FOR REIMBURSEMENT OF OWNERS' TAX LOSS:

56. Q. WHEN MUST THE ASSESSOR AND TAX COLLECTOR FILE A CLAIM FOR TAX REVENUE LOSS SUSTAINED BY HIS/HER TOWN, AS A RESULT OF THE HOMEOWNER PROGRAM?

A. Claims that are filed by the Assessor on Form M-35B must be received by the Office of Policy and Management **on or before July 1 of that year**. THE TOTAL DOLLAR AMOUNT AND APPLICATION/RENEWAL COUNT ON THE CLAIM FORM (M-35B) MUST MATCH THE TOTAL DOLLAR AMOUNT AND APPLICATIONS/RENEWALS COUNT LISTED ON THE CONTINUATION REPORT.

57. Q. IF AN ASSESSOR CANNOT SUBMIT HIS/HER OWNERS' REIMBURSEMENT CLAIM (FORM M-35B) ON OR BEFORE JULY 1, CAN A PENALTY WAIVER BE GRANTED?

A. A penalty waiver can be granted by OPM if a penalty waiver request form, signed by the Assessor and the Chief Executive Officer, requesting the waiver and stating the qualified reasonable cause, is received within thirty business days of July 1.

58. Q. WHAT CONSTITUTES A CLAIM FOR REIMBURSEMENT?

A. Separate Forms M-35B for each mill rate, signed by the Assessor and Tax Collector, including the continuation sheets. The continuation sheets (both APPS and NON-APPS) MUST include the following information alphabetically:

- (1) Name of **CLAIMANT** (Be sure to use applicant's name if Life Use (L/U), **NOT** the owner's name.)
- (2) Property address
- (3) Refile code (E/O is no longer fixed for the duration the taxpayer is a claimant.)
- (4) Net assessment
- (5) Normal tax or Frozen Tax (if applicable)
- (6) Adjusted tax
- (7) Tax credit
- (8) Page record count and a page sub-total for the "Tax Credit" amount.
- (9) Grand total of all records for all pages and a grand total for the "Tax Credit" amount.
- (10) Page numbers with total applicants per page.

NOTE: the Assessor must also send to OPM an electronic file containing all of the application data. Electronic file requirements can be obtained by contacting OPM.

59.Q. WHAT AMOUNT SHOULD BE REQUESTED FOR REIMBURSEMENT ON THE M-35B IF THE ASSESSOR HAS PRORATED THE BENEFIT DUE UNDER CGS SECTION 12-170aa?

A. The Assessor should request reimbursement of the amount of benefit due the claimant as of October 1. DO NOT REQUEST REIMBURSEMENT IN THE PRO-RATED AMOUNT. The reduction is handled on the Pro-rate Form M-35P.

60. Q. WHEN MUST THE ASSESSOR FILE CLAIM FORM M-35P REDUCTIONS TO HOMEOWNERS REIMBURSEMENT.

A. Claim form M-35P Reductions to Homeowners Reimbursement must be filed on or before October 1.

61. Q. WHEN DOES THE STATE REIMBURSE TOWNS AND CITIES UNDER THE OWNERS' PROGRAM?

A. Towns are reimbursed by December 31st each year, subject to the provisions of CGS Section 12-170aa(g).

62. Q. WHAT IS THE PENALTY TO THE MUNICIPALITY FOR LATE AND/OR INCOMPLETE FILING?

A. Two hundred fifty dollars (\$250.00). (See Question 57)

63.Q. WHAT PROOF MUST BE SUBMITTED BY THOSE APPLYING AS TOTALLY DISABLED?

A. The proof must indicate that the person was eligible to receive total disability benefits from Social Security for the year for which claim is made. It should include the benefit amount paid. An SSA-1099, a TPQY, a current (within the last 3 years) SSA award letter or a Benefit Verification Letter are acceptable proofs.

A person applying for the Owners' disability benefit must be under 65 and eligible for Social Security Disability. He/she may apply under another government related disability program if he/she has not been engaged in employment covered by Social Security. Reference CGS Section 12-170aa(b).

PRORATION OF HOMEOWNER BENEFITS:

64. Q. WHAT HAPPENS TO THE HOMEOWNER BENEFIT WHEN AN OWNER DISPOSES OF REAL PROPERTY AFTER THE ASSESSMENT DATE?

- A. The benefit is prorated under CGS Section 12-170aa(i). If the owner sells, assigns or otherwise transfers ownership, after October 1, but prior to the filing period, during a year in which he/she is not required to refile for continued benefits, the tax credit is prorated using the appropriate monthly factor. However, if **total** ownership is transferred after October 1, but prior to the period in which an applicant is required to refile, the credit is removed as of October 1.

EXAMPLE 1: Ms. Casey originally filed for a Homeowner benefit for the 1979 Grand List. In keeping with the coding procedure that used to be required, she has been carried on an odd year code since that time. Ms. Casey, therefore, was required to refile for continued benefits, and did so, between February 1 and May 15 of 2024, in order to maintain her tax credit for the 2023 Grand List. She later sells her home on December 21, 2024. Ms. Casey's 2024 Grand List benefit will be prorated, using the appropriate monthly factor for December. As she is not required to refile an application in order to continue receiving a benefit as of the October 1, 2024 Grand List, she retains her tax credit up to the date of the sale.

EXAMPLE 2: Mr. Jones originally filed for and was granted tax relief for the 1978 Grand List. In keeping with the coding procedure that used to be in place, he has been carried on an even year code since that time. Mr. Jones was required to refile for continued benefits between February 1 and May 15 of 2023, in order to maintain his tax credit for the 2022 Grand List. If he sold his home on December 21, 2022, Mr. Jones's benefit would be removed as of the October 1, 2022 Grand List date because he no longer owned the property at the time he would have been required to file (Feb. 1 thru May 15, 2023).

65. Q. WHAT PROCEDURE SHOULD BE FOLLOWED IF LESS THAN 100% OWNERSHIP IS TRANSFERRED?

- A. The Assessor should prorate the corresponding benefit percentage. For example, if a claimant transfers $\frac{1}{2}$ interest in his/her property, 50% of the claimant's benefit should be prorated, in accordance with the above outlined procedures.

66. Q. WHEN AN ELDERLY CLAIMANT DIES AFTER OCTOBER 1, IS THE TAX BENEFIT REMOVED?

- A. The benefit is prorated under CGS Section 12-170aa(i) if there is no surviving spouse. If an applicant dies during a year in which he/she is not required to refile, the benefit is prorated from the date of death, using the appropriate monthly factor. The date of death, and not the date the certificate of death is placed on the land records, is the determinant for the monthly factor used. If, however, an applicant dies prior to the filing period in a year in which he/she is required to refile, the benefit is removed as of October 1. The same procedural guidelines for prorations apply, whether a claimant transfers ownership or dies.

EXHIBIT I

**SOCIAL SECURITY PAYMENT IDENTIFICATION CODES (PIC)
& BENEFICIARY INDICATOR CODES (BIC)**

&	Wage Earner and Spouse	Old age or disability
A	Wage Earner (Primary Claimant)	Old age or disability
B	Aged Wife (aged 62 or over)	First claimant
B1	Aged Husband (aged 62 or over)	First claimant
B2	Young Wife, with child in her care	First claimant
B3	Aged Wife	Second claimant
B4	Aged Husband	Second claimant
B5	Young Wife	Second claimant
B6	Divorced Wife (aged 62 or over)	First claimant
B7	Young Wife	Third claimant
B8	Aged Wife	Third claimant
B9	Divorced Wife	Second claimant
C1-C9	Child or grandchild	Including disabled or student child
CA-CK		
D	Widow, aged 60 or over	First claimant
D1	Widower, aged 60 or over	First claimant
D2	Aged Widow	Second claimant
D3	Aged Widower	Second claimant
D4	Widow	Remarried after attaining age 60
D5	Widower	Remarried after attaining age 60
D6	Surviving Divorced Wife, over 60	First claimant
D7	Surviving Divorced Wife	Second claimant
D8	Aged Widow	Third claimant
D9	Remarried Widow	Second claimant
DA	Remarried Widower	Third claimant
DC	Surviving divorced husband	First claimant
E	Widowed Mother	First claimant
E1	Surviving Divorced Mother	First claimant
E2	Widowed Mother	Second claimant
E3	Surviving Divorced Mother	Second claimant
E4	Widowed Father	First claimant
E6	Widowed Father	Second claimant
E7	Widowed Mother	Third claimant
F1	Father	

EXHIBIT I (cont.)

F2	Mother	
F3	Stepfather	
F4	Stepmother	
F5	Adopting Father	
F6	Adopting Mother	
F7	Second Alleged Father	
F8	Second Alleged Mother	
HA	Wage earner	Disability
HB	Aged wife	Disability
HB1	Aged husband	Disability
HB2	Young wife	Disability
HB6	Divorced wife	Disability
HC	Child or grandchild	Disability

Code Type

Code Type

TV	MQGE disabled widow(er) (1st claimant)	W6	Disabled surviving divorced wife (1 st claimant)
TW	Disabled widow(er) (1st claimant)	W7	Disabled surviving divorced wife (2 nd claimant)
TX	MQGE disabled widow(er) (2nd claimant)	W8	Disabled surviving divorced wife (3 rd claimant)
T2-T9	Multiple eligible children	W9	Disabled widow (4 th claimant)
W	Disabled widow, 50 or over (1 st claimant)	WB	Disabled widower (4 th claimant)
W1	Disabled widower, 50 or over (1 st claimant)	WC	Disabled surviving divorced wife (4 th claimant)
W2	Disabled widow (2 nd claimant)	WF	Disabled widow (5 th claimant)
W3	Disabled widower (2 nd claimant)	WG	Disabled widower (5 th claimant)
W4	Disabled widow (3 rd claimant)	WJ	Disabled surviving divorced wife (5 th claimant)
W5	Disabled widower (3 rd claimant)	WR	Disabled surviving divorced husband (1 st claim)
WT	Disabled surviving divorced husband (2 nd claim)		

BLACK LUNG BENEFICIARY IDENTIFICATION CODES (BIC) AND PAYMENT IDENTIFICATION (PIC) CODES

LM	Miner	P2	Natural mother of miner
LS	Wife of miner	P3	Adoptive father of miner
LT	Divorced wife of miner	P4	Adoptive mother of miner
LW	Widow of miner	P5	Stepfather of miner
LX	Divorced widow of miner	P6	Stepmother of miner
L1-L9	Children of miner	S1-S8	Brothers and Sisters of miner
P1	Natural father of miner		