



Town of Scarborough Maine

Assessor's Office

P O B O X 3 6 0

S C A R B O R O U G H , M A I N E • 0 4 0 7 0 - 0 3 6 0

Dear Resident,

You are receiving this letter and application form because you have applied for Scarborough's "Property Tax Assistance Program" in the past, or have requested an application. As a reminder, please ensure that you bring the necessary documents in to show that you meet the qualifications for the program. The Assessor's office will not keep any confidential records but we do need to see them for verification.

The three main qualifications are: 1). Applicant is age 62 or older by the application deadline; 2). Applicant has been a Scarborough resident for 10 years or longer by the application deadline; 3). Federal Adjusted Gross Income (household) is less than \$50,000.

If you do not file Federal income taxes, you can bring in your assembled income information (typically your Social Security Benefit Statement) to the Assessing Department. We can review the information to determine if you qualify and assist you in filing your application.

The Town of Scarborough has revised its program, you no longer need to qualify for the State of Maine Property Tax Fairness Credit to qualify for Scarborough's assistance program. To receive a benefit from the Town of Scarborough's Property Tax Assistance Program, you must meet the eligibility criteria listed above and your property tax must exceed 5% of your Federal Adjusted Gross Income.

Please return the completed application to the Assessor's office no later than October 16, 2017.

If we can assist you any further please call at 730-4063 or email lreichardt@ci.scarborough.me.us

Sincerely,

Susan Russo, CMA
Acting Town Assessor
Town of Scarborough
srusso@ci.scarborough.me.us

Phone (207) 730-4063 - www.scarboroughmaine.org - PO Box 360 Scarborough, Maine 04070



M/L: _____

Act #: _____

Dept Approval: _____

Town of Scarborough, Maine

Assessor's Office

P O B O X 3 6 0

S C A R B O R O U G H , M A I N E • 0 4 0 7 0 - 0 3 6 0

Property Tax Assistance Program

Determination of Eligibility and Benefits

For Property Tax Assessed as of April 1, 2016

Application Deadline – October 16, 2017

1. Name of owner(s): _____ Phone: _____
2. Address of Property: _____ E-Mail: _____
2a. Mailing address (if different): _____
3. Date of Birth: _____ **Document Presented:** _____ ME Drivers License/ID
Applicants must be 62 on 10/15/2017 _____ US Passport
Born on/before 10/15/1955 _____ Other _____
4. Resident of Scarborough **Document Presented:** _____ Assessing Record
For at least 10 years on 10/15/2017 _____ Other _____
5. Federal Adjusted Gross Income **Document Presented:** _____ 1040
From Filed Federal Tax Return _____ Social Sec. Benefit Statement
Form 1040, 1040-A, or 1040-EZ _____
6. Additional income of other adults in household _____
7. Total Income (Line 5 plus Line 6) _____
8. Income Limit _____ \$50,000
a. If line 7 exceeds line 8: STOP: No benefit paid
9. Benefit Threshold _____
5% of Line 7
10. Real Estate Tax Assessed _____
July 1, 2016 through June 30, 2017 (FY 2017)
11. Excess of Tax Assessed over Benefit Threshold _____
Line 10 minus Line 9. If line 10 does not exceed
Line 9: STOP: No benefit paid
12. Benefit Cap _____ \$500
13. Benefit Determined (Check Mailed by 12/15/2017) _____
Lesser of Excess Tax or Benefit Cap
(Lesser of Line 11 or Line 12)

Important note: Items 3, 4, & 5 above require documentation to be presented to Assessing staff. IF you did not file a Federal Tax Return Please bring your 2016 Social Security Benefit statement.

Oath: I certify that the information contained herein is accurate to the best of my knowledge and belief, under penalties of perjury.

Signed: _____ Date: _____

Approved by: _____ Date: _____

Explaining the Proposed Senior Property Tax Relief Program

1. Why does our ordinance need to decouple from the State program?

Our ordinance relies on the State program for eligibility. State program changes caused nearly half of our participants to lose eligibility. Our residents should have a consistent program.

2. What is the framework of the new program?

Applicants need to be at least 62 years of age and reside in Scarborough for 10 years (no change from the current ordinance). The test for eligibility then looks at how much of an applicant's income (5%) has to be paid in property taxes. For every dollar the property taxes are more than 5% of income a rebate is paid up to \$500.

3. Will the new program be too complicated to manage with our limited resources in assessing?

The formula focuses on simplicity. It uses information that is readily available to applicants and is easily calculated by the staff. No sensitive documents will be or need be retained by the Town.

4. Why was 5% of income chosen as a threshold for creating eligibility?

Relying upon the judgments underlying the State's successful earlier program, any percentage in the 4-6% range is probably appropriate as a limit on how much of an applicant's income should go to property tax. The former State program started with 4% and the 2015 proposed legislative fix that failed used 5%.

5. Why was \$50,000 chosen as an income cap?

Several benchmarks were considered. The income limit for eligibility for affordable housing like the new Avesta project in Scarborough is slightly below \$50,000. Median household income in Scarborough is roughly \$60,000.

6. So a person with income just over \$50,000 gets no benefit?

The draft does cut off eligibility. This is somewhat inequitable but the formula as proposed has a progressive element (higher income levels require higher tax obligations). At the price of increased complexity a phase-out could be introduced. Allowing the program to operate for a year with a "hard cap" will allow us to monitor the need for a phase-out.

7. Why was Federal Adjusted Gross Income (AGI) chosen?

The premise was to use a suitable number that nearly every applicant would have. Federal AGI is the simplest of the readily available numbers and is much simpler than Maine AGI. It is anticipated that few if any recipients will have sources of income that escape Federal AGI and staff can monitor for any anomalies.

8. Why is the maximum benefit capped at \$500?

\$500 was chosen because it was the limit in the Town's previous ordinance and having a cap helps control the size of the program. With the loss of State program benefits for many Scarborough residents it would not be unreasonable to consider increasing the cap.

9. How do the changes work procedurally for adoption?

Chapter 313 is the old ordinance and remains in effect for the 2015 program. Chapter 313-A replaces Chapter 313 for 2016 and thereafter.

10. Are renters and persons not filing tax returns covered?

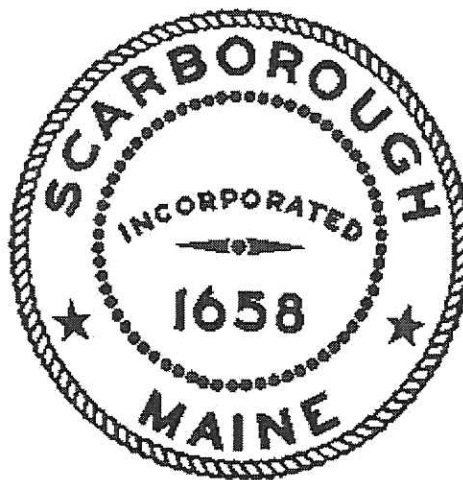
Yes. For renters the same formula applies using 18% of rent (the State figure proposed in the 2015 legislative fix) as their "property taxes". As a practical matter, few renters are expected to be 62 and 10 year residents. Rent subsidies cannot be used to qualify. Non-filers only need to show their W-2's and 1099's to allow staff to calculate Federal AGI.

CHAPTER 313-A

TOWN OF SCARBOROUGH

PROPERTY TAX ASSISTANCE

ORDINANCE



Adopted November 4, 2015

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CHAPTER 313-A
TOWN OF SCARBOROUGH PROPERTY TAX ASSISTANCE ORDINANCE

Section 1. Purpose

The purpose of this Ordinance is to establish a program to provide property tax assistance to persons 62 years of age and over who reside in the Town of Scarborough.

Section 2. Definitions

Homestead: A homestead is a dwelling owned or rented by the person seeking tax assistance under this Ordinance or held in a revocable living trust for the benefit of that person. The dwelling must be occupied by that person as a home.

Qualifying applicant: A qualifying applicant is a person who is determined by the Tax Assessor or his designee, after review of a complete application submitted under Section 4 of this Ordinance, to be eligible for a payment under the terms of this Ordinance.

Section 3. Criteria for Participation

In order to participate in the Property Tax Assistance Program, an applicant shall demonstrate all of the following:

- a. The applicant shall be 62 years of age or more by last day on which an application may be filed under Section 4 of this Ordinance.
- b. The applicant shall have been a resident of the Town of Scarborough with a Homestead therein for the ten years immediately preceding the last day on which an application may be filed under Section 4 of this Ordinance.
- c. The federal adjusted gross income of the applicant (plus that of any other adult members of the applicant's household) does not exceed \$50,000.

Section 4. Application and Payment Procedures

Persons seeking to participate in the Property Tax Assistance Program shall submit a written request to the Tax Assessor no later than October 15th. Applications are required every year to participate in this program. The Tax Assessor shall provide an application form for the program, which shall include the applicant's name, homestead address and contact information. At the time of application, Applicants must provide adequate evidence of eligibility. The Assessor may accept a statement under oath. No confidential income records, including tax returns, will be kept by the Town. The Tax Assessor shall review and determine if the application is complete and accurate and if the applicant is eligible to participate in the Program. The Tax Assessor shall notify an applicant if an application is determined to be incomplete. The Tax Assessor's decision on eligibility to participate in the Program shall be final.

Section 5. Determination of eligibility and amount of eligibility

1. Eligibility for Homeowners

If the Tax Assessor determines that the applicant is eligible to participate in the Program, he shall determine the amount of the benefit paid. The amount shall be the least of the following:

- a. The amount, if any, by which (i) the taxes assessed for fiscal year of the Town beginning on July 1 of the preceding calendar year exceeds (ii) 5% of the federal adjusted gross income of the the applicant (plus that of any other adult members of the applicant's household); or

- b. A pro-rata share of the available monies in the Program Fund, including any amount in the Property Tax Assistance Reserve Account, allocated based on the amount of the refunds determined under sub-section a for all eligible applicants; or
- c. \$500.00.

In the case of applicants who did not file federal income tax returns, the Tax Assessor, upon presentation of adequate information returns and other information, shall calculate the federal adjusted gross income.

2. Eligibility for Renters

In the case of renters, the tax assessed for purposes of Section 5.1.a(i) shall be deemed to be 18% of the rent payable from own funds by applicant (and other adult members of applicant's household) in the preceding calendar year. The Tax Assessor, upon presentation of adequate documents and other information, shall determine the amount of rent.

Section 6. Annual Report to the Town Council

The Tax Assessor shall report in writing to the Town Council no later than their first regular meeting in December each year the projected payments and number of eligible applicants requesting assistance for the program fund.

Section 7. Program Fund - Limitations On Payments

In the event that a lack of funding results in no payment or less than the full payment to a qualifying applicant, the request will not carry over to the next year.

Section 8. Creation of the Program Fund

The Program Fund from which payments shall be made under the terms of this Ordinance shall be created as follows:

As funds are available, the Town Council shall annually appropriate monies from the general fund or other sources to support this program. Any surplus monies available after all payments have been made shall revert to the Property Tax Assistance Reserve Account.

Section 9. Timing of Payments

A person who qualifies for payment under this Program shall be mailed a check for the full amount no later than December 15th for the year in which participation is sought.

Section 10. Limitations upon payments

Only one qualifying applicant per household shall be entitled to payment under this Program each year. The right to file an application under this Ordinance is personal to the applicant and does not survive the applicant's death, but the right may be exercised on behalf of an applicant by the applicant's legal guardian or attorney-in-fact. If an applicant dies after having filed a timely complete application that results in a determination of qualification, the amount determined by the Tax Assessor shall be disbursed to another member of the household as determined by the Town Assessor in consultation with the Town Manager. If the applicant was the only member of a household, then no payment shall be made under this Ordinance.

Section 11. Effective Date and Repeal of Prior Ordinance

This ordinance repeals and replaces Chapter 313, the Town of Scarborough Property Tax Assistance Ordinance adopted on April 18, 2007 as amended such that this Chapter applies to applications for property tax assistance received after October 15, 2015 under this chapter for payments paid beginning in calendar year 2016 related to taxes assessed in fiscal year July 1, 2015 through June 30, 2016, and thereafter.

Town of Scarborough
Property Tax Assistance Program
Determination of Eligibility and Benefits

(This version for Tax Filing Owners)

- | | | |
|---|----------------------|------------------------|
| 1. Name: _____ | Phone: _____ | |
| 2. Address: _____ | E-Mail: _____ | |
| 3. Date of Birth: _____ | Document Seen: _____ | ME Driver's License/ID |
| Applicants must be 62 on 10/15/2016 | | _____ US Passport |
| Born on/before 10/15/1954 | | _____ Other _____ |
| 4. Resident of Scarborough | Document Seen: _____ | Assessing Record |
| For at least 10 years on 10/15/2016 | | _____ Other _____ |
| | | _____ Oath |
| 5. Federal Adjusted Gross Income | | |
| From filed Form 1040, 1040-A, or 1040-EZ | | _____ |
| 6. Additional income of other adults in household | | _____ |
| 7. Total Income (Line 5 plus Line 6) | | _____ |
| 8. Income Limit | | \$50,000 |
| a. If line 7 exceeds line 8: STOP: No benefit paid | | |
| 9. Benefit Threshold | | |
| 5% of Line 7 | | _____ |
| 10. Real Estate Tax Assessed | | |
| July 1, 2015 through June 30, 2016 (FY 2016) | | _____ |
| 11. Excess of Tax Assessed over Benefit Threshold | | |
| Line 10 minus Line 9. If line 10 does not exceed | | _____ |
| Line 9: STOP: No benefit paid | | |
| 12. Benefit Cap | | \$500 |
| 13. Benefit Determined (Check Mailed by 12/15/2016) | | |
| Lesser of Excess Tax of Benefit Cap | | _____ |
| (Lesser of Line 11 or Line 12) | | |

Oath: I certify that the information contained herein is accurate to the best of my knowledge and belief, under penalties of perjury.

Signed: _____

Prepared / Approved by _____ Date: _____