

Town of Cumberland



Senior Property Tax Assistance Program 2016



Town of Cumberland, Maine

290 Tuttle Road, Cumberland, ME 04021

Telephone (207) 829-2205 • Fax (207) 829-2214

June 27, 2016

Dear Cumberland Resident

Attached is the **2016 Senior Property Tax Assistance Application**. You may be eligible for this program if you meet all of the following criteria:

- 1) you are 62 years of age or more*
- 2) have a homestead in Cumberland*
- 3) have been a resident of Cumberland for at least 10 years*
- 4) have a combined household income that does not exceed \$69,000.*

Please fill out the attached application and follow the instructions. Upon completing the application, please contact Annemarie at 829-2205 or adawson@cumberlandmaine.com to set up a meeting to finish the process. Only one application per household is allowed for this program.

Sincerely,

William R. Shane

Town Manager



TOWN OF CUMBERLAND SENIOR PROPERTY TAX ASSISTANCE



Application Deadline-August 1, 2016

To qualify for this program, you must meet the following qualifications:

- 1) be 62 years of age or more
- 2) have a homestead in the Town of Cumberland
- 3) been a resident of the Town of Cumberland for at least 10 years
- 4) combined household income does not exceed \$69,000

You must meet all 4 of the criteria above to be eligible for this program.

Name: _____

Address of Residence: _____

Home Phone Number: _____

.....

How to Apply for the Senior Property Tax Assistance Program:

Step #1: Fill out the application above.

Step #2: Please call, 829-2205, and ask for Annemarie or email, adawson@cumberlandmaine.com, to schedule an appointment to review and complete your application.

Step #3: Please bring the following documents to your appointment:

- 2015 Tax Filing (1040, 1040A, 1040EZ)

-If you do not file taxes, please bring 1099's or other forms to document income.

- Form of Identification (Drivers License, Maine State I.D., Passport)
- For Rental Properties, please bring a copy of the lease.

Step #4: Attend appointment at the Cumberland Town Hall.

(Insert Date & Time of Appointment Here)

Town Documents

- **Autofill Application**
- **Affidavit**
- **Worksheets**



TOWN OF CUMBERLAND SENIOR PROPERTY TAX ASSISTANCE

Application Deadline- August 1, 2016

Name: Age: O/R

Property Address:

Cumberland, Maine

Home Phone Number:

Map and Lot Number (on Property Tax Bill):

Taxes Paid FY 2016

Please Check Proof of Age:

Driver's License: _____ Birth Certificate: _____ Other: _____
Please Describe – Passport - ME ID

Proof of Residency: Ownership Verified by Town

Rental _____ (Please provide copy of lease)

To be completed by Town:

Reviewed by: _____ Date: _____

Approved by Town Manager: _____ Amount: _____

**CUMBERLAND SENIOR
PROPERTY TAX ASSISTANCE
AFFIDAVIT**

I being first duly sworn, depose and state as follows:

1. My name is and I am at least 62 years of age and have been a Town of Cumberland resident for at least the past 10 years consecutively and my primary residence is:

Cumberland, County of Cumberland, and State of Maine. I make the statements herein based upon my personal knowledge.

2. I certify my/our annual gross income is

\$

Signature

STATE OF MAINE
CUMBERLAND, ss.
2016

Personally appeared the above named _____ and swore the above statements to be true based upon her own personal knowledge.

Before me,

Notary Public/Attorney at Law

Print Name

Qualified Renters Worksheet

Renters:

A. Total Rent Paid for past 12 months:

B. If utilities included deduct
Actual amount or 15% of Block A

C. Total of A – B

D. 15% of Block C - If greater than
\$3,350, please enter \$3,350

\$3,350 MAXIMUM

Qualified Renters Worksheet – Income

E. Total Income (Back of this Sheet) :

F. 4 % OF Block E: (\$ Block E X .04)

G. Block D – Block F

**Maximum Eligibility base upon
funding availability for FY 2016 – 2017**

H. 50% of Block G (\$G x .50)

\$750 MAXIMUM

**Qualified Property Tax Payer Worksheet
Homeowner**

I. Property Taxes Paid in FY 2016 , if greater than
\$ 3,350 please enter \$3,350 in Box I.

\$3,350 MAXIMUM

J. **Total Income** (from back of this sheet)

K. Block J x .04

L. Block I – Block K

**Maximum Eligibility base upon funding
availability for FY 2016 –17**

M. 50% of Block L (\$G x .50)

\$750 MAXIMUM

Worksheet – Pay Income Taxes - Renters

IF YOU DO FILE FEDERAL FORM 1040, 1040A or 1040EZ, ENTER:

2. (a) Federal total income (from federal Form 1040, line 22, Form 1040A, line 15 or F o r m 1040EZ, line 4

..... 2a.

(b) Social security benefits not included on line 2a above (federal Form 1040, line 20a minus line 20b or Form 1040A, line 14a minus line 14b) and railroad retirement benefits not included on line 2a above

.....2b.

(c) Interest not included on line 2a above2c.

(d) Loss add-backs (see instructions).....2d.

Total Income. Add lines 2a through 2d above

Worksheet – Don't Pay Income Taxes Renters

IF YOU DO NOT FILE FEDERAL FORM 1040, 1040A or 1040EZ, ENTER:

1. (a) Social security benefits and railroad retirement benefits (see instructions)

1a.

(b) Interest and dividends (see instructions).....

1b.

(c) Pensions, annuities and IRA distributions (see instructions).....

1c.

(d) Wages, salaries, tips, etc. (see instructions.).....

1d.

(e) Other income (see instructions).....

1e.

Total Income. Add lines 2a through 2d above

Worksheet – Pay Income Taxes - Homeowner

IF YOU DO FILE FEDERAL FORM 1040, 1040A or 1040EZ, ENTER:

(a) Federal total income (from federal Form 1040, line 22, Form 1040A, line 15 or Form 1040EZ, line 4)

..... 2a.

(b) Social security benefits not included on line 2a above (federal Form 1040, line 20a minus line 20b or Form 1040A, line 14a minus line 14b) and railroad retirement benefits not included on line 2a above.....2b.

(c) Interest not included on line 2a above2c.

(d) Loss add-backs (see instructions).....2d.

Total Income: Add lines 2a through 2d above

Worksheet – Don't Pay Income Taxes Home Owner

IF YOU DO NOT FILE FEDERAL FORM 1040, 1040A or 1040EZ, ENTER:

1. (a) Social security benefits and railroad retirement benefits (see instructions).....

(b) Interest and dividends (see instructions).....

(c) Pensions, annuities and IRA distributions (see instructions).....

(d) Wages, salaries, tips, etc. (see instructions.).....

(e) Other income (see instructions).....

Total Income: Add lines 1a through 1 e. above

Support Documents

- **HUD Income Limits**
- **Ordinance**
- **Enabling Legislation**



FY 2016 INCOME LIMITS DOCUMENTATION SYSTEM

HUD.gov [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

Median Family Income Calculation Methodology

Estimates of median family income for metropolitan and non-metropolitan areas are developed as follows:

1. The U.S. Census Bureau's 2009-2013 ACS median family income estimates are used as a basis for calculating HUD's FY2016 MFIs. In areas where the margin of error is more than half of the 2013 5-year ACS itself, the state non-metro estimate of median family income is used.
2. If there is a valid 2016 1-year ACS estimate of median family income available, HUD replaces the 5-year data with the 1-year data. A valid 1-year 2013 5-year ACS estimate is one where the margin of error of the estimate is less than one-half of the estimate.
3. Once the appropriate 2013 ACS data has been selected, an inflation factor based on the CBO forecast of the national CPI is calculated to inflate the estimate from mid-2013 to April, 2016 (or mid FY2016).

The **Portland, ME HUD Metro FMR Area**, has published local area 1-year 2013 ACS Survey results.

MFI Step by Step Calculation

1. The following are the 2013 American Community Survey 5-year median income estimate and margin of error for **Portland, ME HUD Metro FMR Area**:

Area	ACS ₂₀₁₃ 5-Year Median Income	ACS ₂₀₁₃ 5-Year Margin of Error	Ratio	Result
Portland, ME HUD Metro FMR Area	\$75,251	\$1,543	$\frac{\$1,543}{\$75,251} = 0.021$	0.021 < .5 Use ACS₂₀₁₃ Portland, ME HUD Metro FMR Area Median Income

2. Since there is a 1-year 2013 ACS estimate available, the margin of error of the estimate is

checked to determine if it is less than one-half of the 1-year 2013 ACS:

Area	ACS ₂₀₁₃ 1-Year Median Income	ACS ₂₀₁₃ 1-Year Margin of Error	Ratio	Result
Portland, ME HUD Metro FMR Area	\$74,809	\$4,537	$\frac{\$4,537}{\$74,809}$ = 0.061	0.061 < .5 Update to ACS₂₀₁₃ 1-Year Median Income

3. The calculation of the CPI Inflation Factor is as follows:

Area	2016 December CPI	2013 Annual CPI	CPI Inflation Factor
Portland, ME HUD Metro FMR Area	239.1	232.957	$(239.1 / 232.957)$ = 1.02637

4. The FY 2016 median family income is estimated as follows:

Area	ACS ₂₀₁₃ 5-Year Estimate	CPI Inflation Factor	FY 2016 Area MFI Estimate
Portland, ME HUD Metro FMR Area	\$74,809	1.02637	$(\$74,809 * 1.02637)$ = \$76,782

5. In keeping with HUD policy, the median family income estimate is rounded to the nearest \$100:

Area	Unrounded FY 2016 MFI Estimate	Rounded FY 2016 MFI Estimate
Portland, ME HUD Metro FMR Area	\$76,782	\$76,800

Press below to select a different state:

Select a new state

Chapter 261

Taxation

[HISTORY: Adopted by the Town Council of the Town of Cumberland as indicated in article histories. Amendments noted where applicable.]

GENERAL REFERENCES

Board of Assessment Review — See Ch. 30, Art. II.

Article I

Property Tax Assistance

[Adopted 1-22-2007; amended in its entirety 12-14-2015]

§ 261-1 Purpose.

The purpose of this article is to establish a program to provide property tax assistance to persons 67 years of age and over who reside in the Town of Cumberland. Under this program, the Town of Cumberland will provide refund payments to those individuals who maintain a homestead in the Town of Cumberland and meet the criteria established by this article.

§ 261-2 Definitions.

As used in this article, the following terms shall have the meanings indicated:

BENEFIT BASE

Property taxes paid by a qualifying applicant during the tax year on the qualifying applicant's homestead or rent constituting property taxes paid by the resident individual during the tax year on a homestead not exceeding \$3,350.

HOMESTEAD

For purposes of this article, "homestead" shall have the same meaning as defined in 36 M.R.S.A. § 5219-KK(1)(C). Generally, a homestead is a dwelling owned or rented by the person seeking tax assistance under this article or held in a revocable living trust for the benefit of that person. The dwelling must be occupied by that person and that person's dependents as a home.

QUALIFYING APPLICANT

A person who is determined by the Town Manager or his designee, after review of a complete application under § 261-4 of this article, to be eligible for a refund payment under the terms of this article.

RENT CONSTITUTING PROPERTY TAX

Fifteen percent of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead. For the purposes of this article, "gross rent" means rent paid at arm's length solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the rental agreement, whether or not expressly set out in the rental agreement.

§ 261-3 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 67 years of age or more at the time of application.
- B. The applicant shall have a homestead in the Town of Cumberland at the time of the application and for the entire year prior to the date of application.
- C. The applicant has been a resident of the Town of Cumberland for at least 10 years immediately preceding the date of application for participation in the Program.
- D. The applicant shall meet the application and eligibility criteria set forth in §§ 261-4 and 261-5 of this article.

§ 261-4 Application and payment procedures.

- A. Persons seeking to participate in the property tax assistance program shall submit an application to the Town Manager no later than August 1 of the year for which the refund is requested. Applications are required for every year the applicant seeks to participate in this program. The application form for the program shall be made available upon request in the Town Manager's office and shall include, at a minimum, the applicant's name, homestead address and contact information. Attached to all applications shall be proof of household income.
- B. Applicants shall also submit proof of property taxes paid or rent constituting property taxes paid during the tax year on the individual's homestead in the Town of Cumberland.
- C. The Town Manager shall review and determine if the application is complete and accurate and if the applicant is otherwise eligible to participate in the program. The Town Manager shall notify an applicant if an application is determined to be incomplete. The Town Manager's decision on eligibility to participate in the program shall be final.

§ 261-5 Determination of eligibility and amount.

- A. If the Town Manager determines that the applicant is eligible to participate in the program, he shall determine the total amount of such eligibility in accordance with the following formula. Eligibility under this article shall be proportional to the applicant's income in relation to the applicant's benefit base. For purposes of calculating eligibility under this article, the applicant's income shall include total household income, and the benefit base shall not exceed \$3,350, regardless of actual property taxes accrued or rent constituting property taxes accrued. Applicants with household income greater than an amount equal to 90% of the current U.S. Department of Housing and Urban Development metropolitan area median family income shall not be eligible for benefits under this article. Notwithstanding the following formulas, the maximum benefit allowed under this article shall be \$750. Eligibility shall be the lesser of the following amounts:

- (1) Fifty percent of the amount by which the benefit base (not to exceed \$3,350) exceeds 4% of the applicant's household income (not to exceed 90% of the current HUD MFI for the Portland metropolitan area).

$$(\text{Benefit base} - 4\% \text{ of Income}) / 2 = \text{Benefit Amount}$$

- (2) An amount proportional to the available monies as approved by the Town Council in the Town's annual budget and the applications received for that application year, calculated as a percentage of the benefit amount for which the applicant is eligible in § 261-5(A)(1).

§ 261-6 Limitations on payments.

- A. The Town Manager shall report to the Town Council for its approval at its second meeting in August each year the projected payments and number of eligible applicants requesting assistance from the program fund.
- B. Payments under this article shall be conditioned upon the existence of sufficient monies in the program fund the year in which participation is sought. If there are not sufficient monies in the

program fund to pay all qualifying applicants under this article, payments shall be limited to the amounts available in the fund. 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.

§ 261-7 Creation of program fund.

The program fund from which payments shall be made under the terms of this article shall be created as follows:

- A. As funds are available, the Town Council shall annually appropriate monies from the general fund or other sources to support this program.
- B. Any surplus monies available after all payments have been made shall be carried forward within the fund to the next fiscal year.

§ 261-8 Timing of payments.

A person who qualifies for payment under this program shall be mailed a check for the benefit amount for which he/she is eligible under § 261-5 no later than 14 days from the date of Council approval of the applications for the year in which participation is sought.

§ 261-9 One applicant per household.

Only one qualifying applicant per household shall be entitled to payment under this program each year. Eligibility shall be determined based on total household income. The right to file an application under this article 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 Town Manager shall be disbursed to another member of the household as determined by the Town Manager. If the applicant was the only member of a household, then no payment shall be made under this article.

Maine Revised Statutes

Title 36: TAXATION

Chapter 907-A: MUNICIPAL PROPERTY TAX ASSISTANCE HEADING: PL 2005, c. 395, §4 (new)

§6232. MUNICIPAL AUTHORITY

The legislative body of a municipality may by ordinance adopt a program to provide benefits to persons with homesteads in the municipality. A municipality may choose to restrict the program to persons who are at least 62 years of age. [2005, c. 395, §4 (NEW) .]

1. Conditions of program. Except as provided in subsection 1-A, a program adopted under this section must:

A. Require that the claimant has a homestead in the municipality; [2005, c. 395, §4 (NEW) .]

B. Provide benefits for both owners and renters of homesteads; and [2005, c. 395, §4 (NEW) .]

C. Calculate benefits in a way that provides greater benefits proportionally to claimants with lower incomes in relation to their property taxes accrued or rent constituting property taxes accrued. [2005, c. 395, §4 (NEW) .]

[2007, c. 635, §1 (AMD) .]

1-A. Volunteer program. A municipality may by ordinance adopt a program that permits claimants who are at least 60 years of age to earn benefits up to a maximum of \$750 by volunteering to provide services to the municipality. A program adopted under this subsection does not need to meet the requirements of subsection 1, paragraph B or C. Benefits provided under this subsection must be related to the amount of volunteer service provided. Benefits received under this subsection may not be considered income for purposes of Part 8. A municipality may by ordinance establish procedures and additional standards of eligibility for a program adopted under this subsection.

[2007, c. 635, §2 (NEW) .]

2. Relationship to state program.

[2013, c. 455, §2 (RP) .]

3. Repeal of program. A municipality that has adopted a program under this section may repeal it through the same procedure by which the program was adopted.

[2005, c. 395, §4 (NEW) .]

SECTION HISTORY

2005, c. 395, §4 (NEW). 2007, c. 635, §§1, 2 (AMD). 2013, c. 455, §2 (AMD) .

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