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CITY OF DANBURY

155 DEER HILL AVENUE

DANBURY, CONNECTICUT 06810

COMMON COUNCIL

VIA HAND DELIVERY

May 23, 2006

President Joseph Cavo and Common Council members
Common Council of the City of Danbury
155 Deer Hill Avenue
Danbury, CT 06810

RE: Tax Credit for Elderly Homeowners

Dear President Cavo and Fellow Council members:

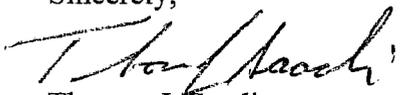
We are writing to request the appointment of an Ad Hoc Committee to review and make recommendations to the Common Council regarding the passage of an ordinance to provide senior homeowners with a tax credit.

Previously the Common Council has approved increased property tax exemptions for Wartime Service veterans as well as for various businesses and commercial developments. We believe that it is important to provide tax relief to our senior homeowners of limited income. With rising energy prices and property taxes such relief would go a long way in helping seniors stay in their homes and stay in our community.

Attached hereto is an outline of the proposed program which may be of assistance to Committee members as well as to corporation counsel in drafting a proposed ordinance for the Committee to consider.

We thank you for your attention to this matter and should you have any questions you may contact either of us at your convenience.

Sincerely,


Thomas J. Saadi
Democratic Minority Leader


Lynn Taborsak
Councilperson at Large

Attachment

Senior Homeowners Tax Credit Program

Qualifications:

A. Applicant:

1. Applicant must be sixty-five years of age or more by December 31 of the prior calendar year.
2. Applicant must have resided at and paid real estate taxes on the residence for which application is made within the City of Danbury for not less than five years.

B. Residence:

1. The value of the residence for which application is made must not exceed the median assessment value of a principal residence in the City of Danbury for the tax year for which application is made.
2. The residence for which application is made must be the legal domicile of the applicant and must be occupied by the applicant for not less than one-hundred and eighty three days of each calendar year.

C. Income:

1. Applicant's adjusted gross income, as defined by the Federal Tax Code, tax exempt interest on investments and Social Security income must not exceed \$47,460 for married couples and \$38,780 for a non-married applicant. The qualifying income shall be adjusted from time to time consistent with changes in the income index set forth in the State's elderly homeowner tax credit statutes.

Application Process:

1. Applications will be made available in the Office of the Tax Assessor.
2. Applicants must file for the tax credit each year.
3. Time period for filing applications shall be determined based on recommendations from the Tax Assessor, Director of Finance and Tax Collector.

Amount of Tax Credit:

1. The tax credit shall be equal to 25% (*This percentage is used as an example only – the final amount to be based on recommendations from Director of Finance and Tax Assessor*) of the tax on the assessed value of the residence for which application is made.

Example only:	Assessed value:	\$200,000
	Mill rate	x <u>22.05</u>
	Pre-credit tax	\$4,410.00
	% Credit	<u>25%</u>
	\$ Credit	\$1,102.50

2. The total annual value of all tax credits granted pursuant to this program shall not exceed a capped amount to be determined by the committee based on recommendations of the Director of Finance, Tax Assessor and Tax Collector. If the capped amount is exceeded the credit provided to each applicant shall be reduced on a pro-rata basis. (*The amount could be capped as a percentage of the total real estate property taxes or by utilizing a set dollar amount as is the procedure with the veterans' property tax exemption.*)