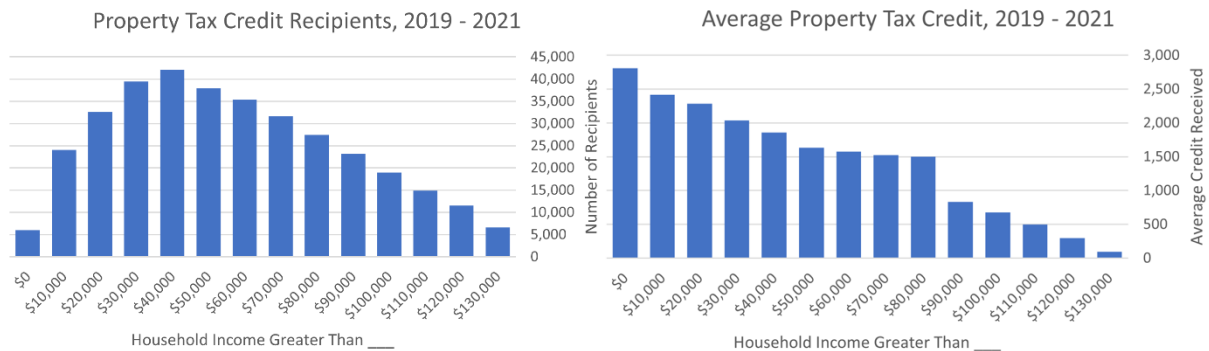




## Homestead Property Tax Credit Amendment December 29, 2022

### Summary

Each year, many Vermonters, especially low-income Vermonters, miss out on the homestead property tax credit. In order help them, we proposed amending the homestead property tax credit statute by (1) extending the deadline to file a homestead property tax credit claim and (2) prescribing a notice to all residential property owners. This would help Vermonters by providing additional time to file a claim and provide notice to homeowners who may be eligible for the credit.



Charts created the Vermont Taxpayer Advocate, Jeffrey M. Dooley, 2022.

First, the amendment would extend the filing deadline from October 15 to March 15. The Vermont Taxpayer advocate stated that the Department of Revenue can process the late claims without changes to the homestead declaration statute. Claims filed after October 15 would not alter town's homestead lists, nor require towns to adjust property tax bills. The Vermont Department of Revenue could process the claims filed during this period and issue the credit via check directly to the eligible claimant. If a claimant files after October 15, but by March 15, there would be a \$150 penalty. The \$150 penalty means that \$150 of the homeowner's available credit would remain in the State's Education Fund.

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<b>Current Property Tax Credit Claim Timeline</b>																		
April 18: Deadline to timely file Property Tax Credit Claim																		
Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.									
										Oct. 15: Deadline to file late Property Tax Claim with \$15 reduction								
<b>Proposed Property Tax Credit Claim Timeline</b>																		
April 18: Deadline to timely file Property Tax Credit Claim																March 15: Deadline to late file Property Tax Credit Claim with \$150 penalty		
Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.				
										Oct. 15: Deadline to file late Property Tax Claim with \$15 reduction								

Second, the amendment requires that towns mail a prescribed, plain language notice about the property tax credit and claim preparation assistance to all residential property owners. Currently, the statute only requires towns to send a notice to people who already filed a homestead declaration. Under the current system, an eligible homeowner who is unaware that they must file a homestead declaration each year wouldn't be notified about the property tax credit. Many extremely low-income homeowners who don't have an income tax filing requirement, don't know about the property tax credit program, nor that they should file a homestead declaration each year. The prescribed, plain language notice would inform more Vermonters whom the State wants to help with this homestead property tax credit.

**Part 1. Extension of Deadline to File Homestead Tax Credit Claim**

**VLA's Proposed Amendment to 32 V.S.A. section 6068(b)** [Note: (b)(i) and (iii) parallel current law and (b)(ii) is new.]

(b) (i) If the claimant fails to file a timely claim but files on or before October 15, the amount of the property tax credit under this chapter shall be reduced by \$15.00, but not below \$0.00, which shall be paid to the municipality for the cost of issuing an adjusted homestead property tax bill.

(ii) If the claimant files a claim after October 15 but on or before March 15 of the following calendar year, the amount of the property tax credit under this chapter shall be reduced by \$150.00, but not below \$0.00, which shall remain in State funds. Any property tax credit issued under this chapter after October 15 will be issued directly to the claimant and will not alter the grand list of the municipality in which the claimant's property lies.

(iii) No property tax credit shall be allowed unless a claim is filed with the Commissioner on or before March 15 of the calendar year following the assessment of taxes.

**Part 2: Notice of Property Tax Credit to All Residential Property Owners**

**Proposed Amended 32 V.S.A. § 6065. Forms; tables; notices** [Note: current law with proposed amendments.]

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax credit, for inclusion in property tax bills. Also, a town shall send a notice describing the homestead property tax credit under subsection 6065 (c) of this section. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own residential property in that town ~~a homestead as defined in subdivision 5401(7) of this title.~~

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~~(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead tax credit may distribute such notices in an alternative manner.~~

(c) A town shall include a notice in each tax bill and in each notice of delinquent taxes in the following, or substantially similar, form:

Do You Need Help Paying Your Property Taxes for Your Primary Residence?

The State of Vermont may be able to help you pay your property taxes. Even if you don't file an income tax return, you may qualify for help. You need to meet income and residency rules.

For the largest possible benefit, **file a Property Tax Credit Claim** by the normal income tax filing deadline. However, you can file late — by March 15 of next year. The state will subtract a fee for filing late.

Free help with tax forms is available for low-to-middle-income Vermonters and seniors who qualify. Visit <https://tax.vermont.gov/individuals/free-tax-preparation-assistance>. For information on how to file for a property tax credit that could lower your taxes, go to: <https://tax.vermont.gov/property/tax-credit>.

Free tax preparation assistance is available for eligible low-to-middle-income Vermonters and senior Vermonters. Look on the Department of Taxes website at <https://tax.vermont.gov/individuals/free-tax-preparation-assistance>.

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