

1 S.98

2 Introduced by Senators Pearson and Westman

3 Referred to Committee on

4 Date:

5 Subject: Taxation; property taxes; deferral for taxpayers 65 or older

6 Statement of purpose: This bill proposes to allow taxpayers 65 years of age or
7 older to defer their property taxes until death.

8 An act relating to the deferral of property taxes for taxpayers 65 years of
9 age or older

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 32 V.S.A. § 3802a is added to read:

12 § 3802a. ALTERNATIVE HOMESTEAD PROPERTY TAX RELIEF FOR
13 PERSONS 65 YEARS OF AGE OR OLDER

14 (a) A claimant who qualifies under this section may elect to defer education
15 property taxes on a homestead on an annual basis. A claimant is qualified to
16 elect deferral under this section if he or she is at least 65 years of age as of
17 December 31 prior to the tax year for which the election is made, is not
18 delinquent on any property taxes at the time of the election, and has household
19 income of less than \$75,000.00.

1 (b) The amount of taxes deferred in any given year shall be the amount the
2 taxpayer would normally have been billed for that year, including any
3 adjustment under chapter 154 of this title, plus a fee of \$150.00 for each year
4 deferral is elected. The cumulative amount deferred, including both the
5 amount of the statewide education taxes and the fee, shall constitute a lien on
6 the homestead. Ninety days after the date of death of the claimant or his or her
7 surviving spouse, whichever occurs later, or upon transfer of the property, all
8 deferred taxes and fees, plus accrued interest at the annual rate established for
9 unpaid tax liabilities in subsection 3108(a) of this title shall be due and payable
10 to the town where the homestead is located. Any claim against an estate for
11 these funds shall take priority over any other claim against the estate. In the
12 alternative, a taxpayer may discharge the lien created by this section without
13 penalty by paying to the town the deferred amounts, plus accrued interest at the
14 annual rate established for unpaid tax liabilities in subsection 3108(a) of this
15 title, at any time. Upon collection of the deferred amounts, the town shall
16 remit to the Education Fund the entire amount deferred.

17 (c) The claimant shall request a deferral from the Department of Taxes
18 which shall adopt rules and forms necessary to implement this section. Upon
19 qualifying, the claimant shall receive a deferral certificate from the Department
20 of Taxes for presentation to the town clerk, and the town shall accept the
21 certificate as payment of any education property taxes on the homestead in full.

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on January 1, 2020 and apply to education

3 property taxes for fiscal year 2021 and after.