

BASIC CPA FACTS

General:

The CPA surcharge is on the real estate tax assessed as of January 1 of the upcoming fiscal year. This includes Actual, Supplemental and Omitted and Revised tax assessments.

January 1 of the upcoming fiscal year is also referred to as the assessment date.

CPA Exemptions:

The Board of Assessors determines whether a taxpayer qualifies for an exemption from the CPA surcharge. The Board of Assessors grants or denies CPA surcharge exemptions and abatements.

Exemption status is determined as of January 1, of the upcoming fiscal year (i.e.; January 1, 2006 for fiscal year 2007).

Any ownership, occupancy, age, income or usage classification requirements for a CPA exemption must be met as of the assessment date.

1) Residential Exemption:

The residential exemption applies to the real estate tax assessed on the first \$100,000 of assessed valuation of all properties classified as Class One, Residential, as of the assessment date.

If the property is multiple-use, the exemption applies to the real estate tax assessed on the first \$100,00 of the residential portion of the assessed valuation only.

2) Income Exemption:

There are two types of income exemptions:

- Low Income
- Low or Moderate Income Senior Exemption:

To be considered for an income exemption, a Low Income Persons – Low or Moderate Income Seniors Application for CPA Exemption must be filed with the Assessors office on or before December 15 or 3 months after actual tax bills are mailed for the fiscal year if later.

An applicant for an income exemption must be a person who owns and occupies the property as their domicile as of the assessment date. All co-owners do not have to occupy the property as a domicile for the exemption to be granted.

The exemption does not apply to residential property owned in whole or in part by a corporation or other business entity.

To qualify as a low or moderate income senior, the applicant must first be 60 years of age or older as of the assessment date.

Each co-owner of the domicile must meet a household annual income standard. The income standard is based on the area wide median income determined annually by the US Department of Housing and Urban Development.

The Assessors establish new CPA income limits each year for single through 8-member households for senior households and other households based on the US Department of Housing and Urban Development area wide median income.

Annual household income is the income received from all sources regardless of income tax status under federal or state law during the calendar year preceding the assessment date by all members of the household 18 or older who are not full time students, less deductions for dependents other than a spouse and certain medical expenses. That amount must be at or below the allowable income limit for the household type and size.

Co-owners are jointly and severally liable for the tax and any agreement they have as to payment is a private matter. Therefore, an exemption of property with any co-owner who has income above the applicable limit effectively exempts a person clearly not entitled under the statutory definition of exemption beneficiaries.

The asset standard used for exemption qualification is actual income.

Taxpayers who receive a partial property tax exemption are not fully exempted from a CPA surcharge, only on the exempted property tax. For example, a taxpayer who receives a partial property tax exemption will receive a pro-rata reduction of the CPA surcharge. Only those persons or entities fully exempt from property taxes (i.e.; state and local government and qualified charitable owners) are completely exempt from the CPA surcharge.

CPA Exemption Application Disclosure:

In order to establish eligibility for a CPA surcharge exemption, the applicant must provide the Assessors with financial and other personal information. **The Exemption Application, or any part thereof or supporting documentation, is NOT public information.**

Supplemental, Omitted and Revised:

Supplemental and Omitted and Revised tax bills will have CPA surcharges calculated on the Supplemental or Omitted and Revised tax mount. The CPA surcharge will be billed separately.

Other Personal (Exemptions) (Elderly, Veteran, Senior Workoff)

Other Personal Exemptions (Elderly, Veteran, and Senior Workoff) granted by the Board of Assessors will be applied to the tax amount **prior** to the calculation of the CPA surcharge.

For example: a total tax amount of \$2,000.00 with a Board of Assessors approved Senior Workoff Exemption of \$500.00; the CPA charge is based on the adjusted tax amount of \$1,500.00