



General Assembly

Raised Bill No. 403

February Session, 2022

LCO No. 2958



Referred to Committee on APPROPRIATIONS

Introduced by:
(APP)

AN ACT REESTABLISHING FUNDING FOR THE HOMEOWNERS' ELDERLY AND DISABLED CIRCUIT BREAKER TAX RELIEF PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) to (g), inclusive, of section 12-170aa of the
2 2022 supplement to the general statutes are repealed and the following
3 is substituted in lieu thereof (*Effective July 1, 2022*):

4 (a) There is established, for the assessment year commencing
5 October 1, 1985, and each assessment year thereafter, a revised state
6 program of property tax relief for certain elderly homeowners as
7 determined in accordance with subsection (b) of this section, and
8 additionally for the assessment year commencing October 1, 1986, and
9 each assessment year thereafter, the property tax relief benefits of such
10 program are made available to certain homeowners who are
11 permanently and totally disabled as determined in accordance with
12 said subsection (b) of this section.

13 (b) (1) The program established by this section shall provide for a
14 reduction in property tax, except in the case of benefits payable as a

15 grant under certain circumstances in accordance with provisions in
16 subsection (j) of this section, applicable to the assessed value of certain
17 real property, determined in accordance with subsection (c) of this
18 section, for any (A) owner of real property, including any owner of real
19 property held in trust for such owner, provided such owner or such
20 owner and such owner's spouse are the grantor and beneficiary of such
21 trust, (B) tenant for life or tenant for a term of years liable for property
22 tax under section 12-48, or (C) resident of a multiple-dwelling complex
23 under certain contractual conditions as provided in said subsection (j)
24 of this section, who (i) at the close of the preceding calendar year has
25 attained age sixty-five or over, or whose spouse domiciled with such
26 homeowner, has attained age sixty-five or over at the close of the
27 preceding calendar year, or is fifty years of age or over and the
28 surviving spouse of a homeowner who at the time of [his] the
29 homeowner's death had qualified and was entitled to tax relief under
30 this section, provided such spouse was domiciled with such
31 homeowner at the time of [his] the homeowner's death, or (ii) at the
32 close of the preceding calendar year has not attained age sixty-five and
33 is eligible in accordance with applicable federal regulations to receive
34 permanent total disability benefits under Social Security, or has not
35 been engaged in employment covered by Social Security and
36 accordingly has not qualified for benefits thereunder but who has
37 become qualified for permanent total disability benefits under any
38 federal, state or local government retirement or disability plan,
39 including the Railroad Retirement Act and any government-related
40 teacher's retirement plan, determined by the Secretary of the Office of
41 Policy and Management to contain requirements in respect to
42 qualification for such permanent total disability benefits which are
43 comparable to such requirements under Social Security; and in
44 addition to qualification under (i) or (ii) above, whose taxable and
45 nontaxable income, the total of which shall hereinafter be called
46 "qualifying income", in the tax year of such homeowner ending
47 immediately preceding the date of application for benefits under the
48 program in this section, was not in excess of sixteen thousand two
49 hundred dollars, if unmarried, or twenty thousand dollars, jointly with

50 spouse if married, subject to adjustments in accordance with
51 subdivision (2) of this subsection, evidence of which income shall be
52 required in the form of a signed affidavit to be submitted to the
53 assessor in the municipality in which application for benefits under
54 this section is filed. Such affidavit may be filed electronically, in a
55 manner prescribed by the assessor. The amount of any Medicaid
56 payments made on behalf of such homeowner or the spouse of such
57 homeowner shall not constitute income. The amount of tax reduction
58 provided under this section, determined in accordance with and
59 subject to the variable factors in the schedule of amounts of tax
60 reduction in subsection (c) of this section, shall be allowed only with
61 respect to a residential dwelling owned by such qualified homeowner
62 and used as such homeowner's primary place of residence. If title to
63 real property or a tenancy interest liable for real property taxes is
64 recorded in the name of such qualified homeowner or [his] the
65 homeowner's spouse making a claim and qualifying under this section
66 and any other person or persons, the claimant hereunder shall be
67 entitled to pay [his] the claimant's fractional share of the tax on such
68 property calculated in accordance with the provisions of this section,
69 and such other person or persons shall pay [his or their] a fractional
70 share of the tax without regard for the provisions of this section, unless
71 also qualified hereunder. For the purposes of this section, a "mobile
72 manufactured home", as defined in section 12-63a, or a dwelling on
73 leased land, including but not limited to a modular home, shall be
74 deemed to be real property and the word "taxes" shall not include
75 special assessments, interest and lien fees.

76 (2) The amounts of qualifying income as provided in this section
77 shall be adjusted annually in a uniform manner to reflect the annual
78 inflation adjustment in Social Security income, with each such
79 adjustment of qualifying income determined to the nearest one
80 hundred dollars. Each such adjustment of qualifying income shall be
81 prepared by the Secretary of the Office of Policy and Management in
82 relation to the annual inflation adjustment in Social Security, if any,
83 becoming effective at any time during the twelve-month period

84 immediately preceding the first day of October each year and the
 85 amount of such adjustment shall be distributed to the assessors in each
 86 municipality not later than the thirty-first day of December next
 87 following.

88 (3) For purposes of determining qualifying income under
 89 subdivision (1) of this subsection with respect to a married homeowner
 90 who submits an application for tax reduction in accordance with this
 91 section, the Social Security income of the spouse of such homeowner
 92 shall not be included in the qualifying income of such homeowner, for
 93 purposes of determining eligibility for benefits under this section, if
 94 such spouse is a resident of a health care or nursing home facility in
 95 this state receiving payment related to such spouse under the Title XIX
 96 Medicaid program. An applicant who is legally separated pursuant to
 97 the provisions of section 46b-40, as of the thirty-first day of December
 98 preceding the date on which such person files an application for a
 99 grant in accordance with subsection (a) of this section, may apply as an
 100 unmarried person and shall be regarded as such for purposes of
 101 determining qualifying income under said subsection.

102 (c) (1) The amount of reduction in property tax provided under this
 103 section shall, subject to the provisions of subsection (d) of this section,
 104 be determined in accordance with the following schedule:

| T1 | Qualifying Income | | Tax Reduction | Tax Reduction | |
|-----|--------------------|----------|-----------------|---------------|---------|
| T2 | | | As Percentage | For Any Year | |
| T3 | Over | Not | Of Property Tax | | |
| T4 | Exceeding | | | | |
| T5 | Married Homeowners | | | Maximum | Minimum |
| T6 | \$ 0 | \$11,700 | 50% | \$1,250 | \$400 |
| T7 | 11,700 | 15,900 | 40 | 1,000 | 350 |
| T8 | 15,900 | 19,700 | 30 | 750 | 250 |
| T9 | 19,700 | 23,600 | 20 | 500 | 150 |
| T10 | 23,600 | 28,900 | 10 | 250 | 150 |

| | | | | | |
|-----|----------------------|----------|------|---------|-------|
| T11 | 28,900 | | None | | |
| T12 | Unmarried Homeowners | | | | |
| T13 | \$ 0 | \$11,700 | 40% | \$1,000 | \$350 |
| T14 | 11,700 | 15,900 | 30 | 750 | 250 |
| T15 | 15,900 | 19,700 | 20 | 500 | 150 |
| T16 | 19,700 | 23,600 | 10 | 250 | 150 |
| T17 | 23,600 | | None | | |

105 (2) For the fiscal year ending June 30, 2023, and annually thereafter,
 106 the qualifying incomes set forth in subdivision (1) of this subsection
 107 shall reflect the increase, if any, in the national consumer price index
 108 for urban wage earners and clerical workers for the previous twelve-
 109 month period.

110 (d) Any homeowner qualified for tax reduction in accordance with
 111 subsection (b) of this section in an amount to be determined under the
 112 schedule of such tax reduction in subsection (c) of this section, shall in
 113 no event receive less in tax reduction than the minimum amount of
 114 such reduction applicable to the qualifying income of such homeowner
 115 according to the schedule in said subsection (c).

116 (e) Any claim for tax reduction under this section shall be submitted
 117 for approval, on the application form prepared for such purpose by the
 118 Secretary of the Office of Policy and Management, in the first year
 119 claim for such tax relief is filed and biennially thereafter. Such
 120 application form may be submitted by mail or electronic mail, in a
 121 manner prescribed by the secretary. The amount of tax reduction
 122 approved shall be applied to the real property tax payable by the
 123 homeowner for the assessment year in which such application is
 124 submitted and approved. If any such homeowner has qualified for tax
 125 reduction under this section, the tax reduction determined shall, when
 126 possible, be applied and prorated uniformly over the number of
 127 installments in which the real property tax is due and payable to the
 128 municipality in which [he] the homeowner resides. In the case of any
 129 homeowner who is eligible for tax reduction under this section as a

130 result of increases in qualifying income, effective with respect to the
131 assessment year commencing October 1, 1987, under the schedule of
132 qualifying income and tax reduction in subsection (c) of this section,
133 exclusive of any such increases related to social security adjustments in
134 accordance with subsection (b) of this section, the total amount of tax
135 reduction to which such homeowner is entitled shall be credited and
136 uniformly prorated against property tax installment payments
137 applicable to such homeowner's residence which become due after
138 such homeowner's application for tax reduction under this section is
139 accepted. In the event that a homeowner has paid in full the amount of
140 property tax applicable to such homeowner's residence, regardless of
141 whether the municipality requires the payment of property taxes in
142 one or more installments, such municipality shall make payment to
143 such homeowner in the amount of the tax reduction allowed. The
144 municipality shall be reimbursed for the amount of such payment in
145 accordance with subsection (g) of this section. In respect to such
146 application required biennially after the filing and approval for the
147 first year, the tax assessor in each municipality shall notify each such
148 homeowner concerning application requirements by mail or, at such
149 homeowner's option, electronic mail, not later than February first,
150 annually enclosing a copy of the required application form. Such
151 homeowner may submit such application to the assessor by mail or
152 electronic mail, in a manner prescribed by the assessor, provided it is
153 received by the assessor not later than April fifteenth in the assessment
154 year with respect to which such tax reduction is claimed. Not later
155 than April thirtieth of such year the assessor shall notify, by mail
156 evidenced by a certificate of mailing, any such homeowner for whom
157 such application was not received by said April fifteenth concerning
158 application requirements and such homeowner shall be required not
159 later than May fifteenth to submit such application personally or by
160 electronic mail, in a manner prescribed by the assessor, or, for
161 reasonable cause, by a person acting on behalf of such taxpayer as
162 approved by the assessor. In the year immediately following any year
163 in which such homeowner has submitted application and qualified for
164 tax reduction in accordance with this section, such homeowner shall be

165 presumed, without filing application therefor, to be qualified for tax
166 reduction in accordance with the schedule in subsection (c) of this
167 section in the same percentage of property tax as allowed in the year
168 immediately preceding. If any homeowner has qualified and received
169 tax reduction under this section and subsequently in any calendar year
170 has qualifying income in excess of the maximum described in this
171 section, such homeowner shall notify the tax assessor by mail or
172 electronic mail, in a manner prescribed by the assessor, on or before
173 the next filing date and shall be denied tax reduction under this section
174 for the assessment year and any subsequent year or until such
175 homeowner has reapplied and again qualified for benefits under this
176 section. Any such person who fails to so notify the tax assessor of [his]
177 a disqualification shall refund all amounts of tax reduction improperly
178 taken and be fined not more than five hundred dollars.

179 (f) Any homeowner, believing such homeowner is entitled to tax
180 reduction benefits under this section for any assessment year, shall
181 make application as required in subsection (e) of this section, to the
182 assessor of the municipality in which the homeowner resides, for such
183 tax reduction at any time from February first to and including May
184 fifteenth of the year in which tax reduction is claimed. A homeowner
185 may make application to the secretary prior to August fifteenth of the
186 claim year for an extension of the application period. The secretary
187 may grant such extension in the case of extenuating circumstance due
188 to illness or incapacitation as evidenced by a certificate signed by a
189 physician, physician assistant or an advanced practice registered nurse
190 to that extent, or if the secretary determines there is good cause for
191 doing so. Such application for tax reduction benefits shall be submitted
192 on a form prescribed and furnished by the secretary to the assessor. In
193 making application the homeowner shall present to such assessor, in
194 substantiation of such homeowner's application, a copy of such
195 homeowner's federal income tax return, including a copy of the Social
196 Security statement of earnings for such homeowner, and that of such
197 homeowner's spouse, if filed separately, for such homeowner's taxable
198 year ending immediately prior to the submission of such application,

199 or if not required to file a return, such other evidence of qualifying
200 income in respect to such taxable year as may be required by the
201 assessor. When the assessor is satisfied that the applying homeowner
202 is entitled to tax reduction in accordance with this section, such
203 assessor shall issue a certificate of credit, in such form as the secretary
204 may prescribe and supply showing the amount of tax reduction
205 allowed. A duplicate of such certificate shall be delivered to the
206 applicant and the tax collector of the municipality and the assessor
207 shall keep the fourth copy of such certificate and a copy of the
208 application. Any homeowner who, for the purpose of obtaining a tax
209 reduction under this section, wilfully fails to disclose all matters
210 related thereto or with intent to defraud makes false statement shall
211 refund all property tax credits improperly taken and shall be fined not
212 more than five hundred dollars. Applications filed under this section
213 shall not be open for public inspection.

214 (g) On or before July first, annually, each municipality shall submit
215 to the secretary a claim for the tax reductions approved under this
216 section in relation to the assessment list of October first immediately
217 preceding. On or after December 1, 1987, any municipality that
218 neglects to transmit to the secretary the claim as required by this
219 section shall forfeit two hundred fifty dollars to the state, except that
220 the secretary may waive such forfeiture in accordance with procedures
221 and standards established by regulations adopted in accordance with
222 chapter 54. Subject to procedures for review and approval of such data
223 pursuant to section 12-120b, said secretary shall, on or before
224 December fifteenth next following, certify to the Comptroller the
225 amount due each municipality as reimbursement for loss of property
226 tax revenue related to the tax reductions allowed under this section. [,
227 except that the secretary may reduce the amount due as
228 reimbursement under this section by up to one hundred per cent for
229 any municipality that is not eligible for a grant under section 32-9s.]
230 The Comptroller shall draw an order on the Treasurer on or before the
231 fifth business day following December fifteenth and the Treasurer shall
232 pay the amount due each municipality not later than the thirty-first

233 day of December. Any claimant aggrieved by the results of the
234 secretary's review shall have the rights of appeal as set forth in section
235 12-120b. [The amount of the grant payable to each municipality in any
236 year in accordance with this section shall be reduced proportionately
237 in the event that the total of such grants in such year exceeds the
238 amount appropriated for the purposes of this section with respect to
239 such year.]

This act shall take effect as follows and shall amend the following sections:

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| Section 1 | July 1, 2022 | 12-170aa(a) to (g) |
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APP *Joint Favorable*