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State Programs and Practices for Reducing Residential Property Taxes

by
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Appendix D

Table D-1 Property Tax Deferral Programs: 2002

State	Eligible Homeowners	Income Caps	Deferral Amount
Arizona	Various eligibility requirements*	\$10,000	All property taxes
California	Age 62 and older, blind, or disabled	\$24,000	All property taxes
Colorado*	Age 65 and older	None	All property taxes
District of Columbia	All ages	None	Taxes above 110% of prior tax liability
Florida	All ages	None	Taxes exceeding 5% of income
	All ages	\$10,000	All property taxes
	Age 65 and older	None	Taxes exceeding 3% of income
	Age 70 and older	\$12,000	All property taxes
Georgia	Age 62 and older	\$15,000	Taxes on the first \$50,000 AV
Illinois*	Age 65 and older	\$40,000	All taxes up to 80% of the equity value
Iowa	SSI recipients	None	All property taxes
	Age 65 and older	None	L*
Maine*	Age 65 and older	\$32,000	All property taxes
Maryland*	Age 65 and older or disabled	*	All local property taxes, L
Massachusetts	Age 65 and older*	\$20,000*	Up to 50% of the applicant's interest in the property

AV=Assessed Value

L=Local Option

*See notes at end of table.

State	Eligible Homeowners	Income Caps	Deferral Amount
Michigan*	Age 65 and older or disabled	\$16,823	Special assessments over \$300
Minnesota	Age 65 and older	\$60,000*	*
	Age 65 and older or disabled	None	Special assessments, L
New Hampshire*	Age 65 and older or disabled	None	Up to 85% of the tax, L
North Dakota*	Age 65 and older or disabled	\$14,000*	Up to \$6,000 of special assessments
Oregon*	Age 62 and older	\$32,500*	All property taxes
	Age 62 and older	\$32,500	Special assessments
Pennsylvania	All ages	\$15,000	L*
South Dakota*	Age 70 and older	\$16,000 (single); \$20,000 (multiple-member household)	All property taxes
Tennessee*	Age 65 and older	\$12,000	Taxes can be deferred up to \$60,000 of the property's market value, L
Texas	Age 65 and older	None	All property taxes
Utah	Age 65 and older or disabled	\$23,879	Any or all property taxes, L
Virginia	Age 65 and older or disabled	\$30,000*	L*
Washington	Age 60 and older	\$34,000	Taxes on 80% of the equity value
Wisconsin	Age 65 and older or disabled	\$20,000	Up to \$2,500 of taxes
Wyoming	Age 62 and older or disabled or persons who purchased their home prior to December 31, 1987	150% of the poverty level	50% of taxes, L

L = Local option program; AGI = Adjusted Gross Income;
 AV = Assessed Value; SSI = Supplemental Security Income

**Notes:*

Arizona – Homeowners must be age 70 and older, have a household income of \$10,000 or less, have lived in their residence at least six years, have lived in Arizona for at least 10 years, have a real property cash value of \$150,000 or less, and must meet other tests to qualify for the program.

Colorado – Additional local option program to work to pay off tax liability.

Illinois – Recipients must have lived in and owned their homes for at least three years.

Iowa – Local option tax relief is available for homeowners age 65 and older.

Maine – Only homeowners who applied to the deferral program in 1990 and 1991 qualify.

Maryland – This state's local option program is available to homeowners age 65 and older or disabled who have lived in their home at least five years and have met local income guidelines.

Massachusetts – To qualify, applicants must have lived in Massachusetts for at least ten years and owned real property in Massachusetts for at least five years. A community can increase the gross income threshold from \$20,000 to \$40,000.

Michigan – Recipients must have lived in their homes for at least five years.

Minnesota – Homeowners must have lived in their homes for at least 15 years and have at least 25% equity in their homes to be eligible. Moreover, they can defer property taxes in excess of 3% of their income in the year preceding their deferral application.

New Hampshire – Homeowners must have owned their homes for at least five years.

North Dakota – Assets may not exceed \$50,000 excluding the first \$80,000 of the homestead's market value.

Oregon – After entering the deferral program for all property taxes, beneficiaries must have federal AGI of \$32,500 or less to continue qualifying for the program.

Pennsylvania – Homeowners can defer property taxes in excess of the prior year's property tax liability.

South Dakota – Homeowners must have owned their home for at least three years and have lived in the state for at least five years.

Tennessee – The income cap can be increased to \$25,000 if approved by a 2/3 majority vote of the governing body. For homesteads under \$50,000 in market value, homeowners can defer all taxes above 1979 liability levels.

Virginia – This state has a local option program to defer all property taxes for taxpayers with incomes at or below \$30,000 and whose net worth is below \$100,000 (excluding dwelling). Some cities and adjacent counties provide tax deferrals for persons with incomes below \$52,000 and whose net worth is below \$195,000 (excluding dwelling). All homeowners by local option may also defer taxes that exceed 105% (or more) of prior year's taxes.

Source: Telephone survey of state legislative offices, state departments of revenue, state comptrollers offices, and state treasury offices.