Tax Freeze Checklist

Complete Version

Tax Freeze Check List

PARCEL NUMBER: _____

Income Verification

A. Tax Return Received Yes No

1. Is at least page 1 and 2 of the applicant's 2007 Tax Return enclosed? Yes No

2. Are there one or more co-owners? Yes No

2a. If Yes, did co-owner(s) file a joint return with the applicant? Yes No N/A

2b. Or, did co-owner file a separate return from the applicant? Yes No N/A

2c. If so, was the co-owners 2007 Tax Return provided? Yes No N/A

WE MUST EMPHASIZE ALL INCOME:

3. Did you ask the applicant if any income exists that was not included on the application or the income tax return? Yes No
(Note: It is important that you ask the question politely and then LISTEN for the response.)

4. Do the applicant and/or co-owners itemize? Yes No

5. Did the applicant report mortgage interest? Yes No

6. What was the amount of the mortgage interest? _____

7. If mortgage interest was reported, perform the following calculation: Mtg int * 3 ans: _____

8. Is the result greater than the grand total of the reported income? Yes No YES? REFER FOR AUDIT

9. If there is no mortgage interest, perform the following calculation: County taxes * 6 ans: _____

10. Is the result greater than the grand total of the reported income? Yes No

11. Does the amount of income reported on the application match what was reported on the income tax return? **Yes No** **NO? EXPLAIN**

No Tax Return

B. Is Affidavit Provided? YES NO

Did the applicant and co-owners provide the following to support income reported?

If no, explain

12. Benefits Statement from Social Security enclosed? **Yes No**

13. Pension - 1099R or other retirement statement provided? **Yes No**

14. W-2 form provided (if applicable)? (For salary and wages) **Yes No**

15. Bank Statement (for reporting int) provided? **Yes No**

16. Interest and/or Dividends Earned Statements? **Yes No**

17. VA Benefit Statement **Yes No**

18. Is other income proof provided? **Yes No**
If yes, state type:_____

19. Does the amount proven on the support documentation match the grand total of all income Reported on the application for both applicant and Co-owner(s)? **Yes No** **NO? EXPLAIN**

General Reasonableness

20. Did you print and review the assessed value and tax amount due? **Yes No**

Tax Freeze Check List

21. Does the assessed value appear reasonable considering all information obtained? **Yes No** **NO? REFER FOR AUDIT**

22. Do any documents submitted appear to be altered? **Yes No** **YES? REFER FOR AUDIT**

Look for:

- White-out Yes/No
- Alteration of numbers Yes/No
- Lining out of numbers Yes/No
- Other Yes/No Explain

Age Verification

C. **Was sufficient proof of age provided by the applicant?** YES NO

23. (Choose one)

- Copy of drivers license; or Yes/No
- Copy of birth certificate; or Yes/No
- Copy of Medicare card; or Yes/No
- Copy of marriage certificate that states the applicant's age; or Yes/No
- Copy of passport; or Yes/No
- Copy of military id; or Yes/No
- Copy of valid census record; or Yes/No
- Qualifies for the State tax relief program as elderly Yes/No
- (Note: other evidence of age may be acceptable upon approval of supervisor and manager) Yes/No

24. Were social security cards provided for all owners? **Yes No**

Ownership Verification

D. **Does sufficient evidence of ownership exist, or has it been provided?** YES NO

25. (Choose one)

- Tax notice or property tax receipt reflects owner; Yes/No
- A deed (warranty, quitclaim, etc.) has been provided; or Yes/No
- A probated will has been provided; or Yes/No
- A title or Bill of Sale for a Mobile Home has been provided; or Yes/No
- A divorce decree has been provided; or Yes/No
- A land contract has been provided; or Yes/No
- A Trust has been provided Yes/No
- Other (approved by supervisor and manager) Yes/No

26. Did you print and attach a copy of the tax notice or receipt? Yes No

Primary Residence Verification

E **Does sufficient evidence of primary residence exist or has it been provided?** Yes No

27. Does the mailing address on the application match the property location and mailing address on the tax notice or receipt? **Yes No**

If no,

28. Has a copy of the applicant's voter registration card been provided? **Yes No**

29. If applicant did not provide a voter registration card, did applicant provide two of the following?

(Circle the two that apply)

- Bank statement with applicants name and mailing address (mailing address must be the address of the property for which applicant is applying for tax freeze.)
- Utility bill with applicants name and mailing address (mailing address must be the address of the property for which applicant is applying for tax freeze.)
- Cable bill with applicants name and mailing address (mailing address must be the address of the property for which applicant is applying for tax freeze.)
- Satellite dish bill with applicants name and mailing address (mailing address must be the address of the property for which applicant is applying for the tax freeze.)
- Phone bill with applicants name and mailing address (mailing address must be the address of the property for which applicant is applying for the tax freeze.)

Tax Freeze Check List

Summary:

30. Did the applicant sign and date the tax freeze application? Yes No

31. Is there anything else not covered on this check list that may be of concern? Yes No

Explain:

Reviewer's Signature_____Date of Review_____

County Commission Resolution

Adoption of Senior Property Tax Freeze Act

Item #: 18

Sponsored by: CARPENTER & MALONE

Prepared by: Thomas Williams

Moved by: MALONE

Approved by: Thomas Williams
Assistant County Attorney

RESOLUTION TO ADOPT SENIOR PROPERTY TAX FREEZE ACT

WHEREAS, On November 7, 2006, the voters of the State of Tennessee approved an amendment to Article II, Section 28 of the Constitution of the State of Tennessee to allow for the establishment of a state-wide program to provide a tax freeze for taxpayers 65 years of age or older; and

WHEREAS, The Tennessee General Assembly passed legislation outlining eligibility requirements for such tax freeze and gave municipalities the option to enact local legislation regarding its citizens; and

WHEREAS, The Shelby County Board of Commissioners believes this assistance is needed by many of the seniors residing within the boundaries of Shelby County, and it is in the best interests of the citizens of this county that such an exemption and tax freeze be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That:

SECTION 1. Effective with the 2008 tax year and applicable to county real property taxes due after the effective date of this resolution, and until the Board of Commissioners of Shelby County, Tennessee, shall revoke or amend this resolution, the Senior Property Tax Freeze and exemption provided in Tennessee Code Annotated, Section 67-5-705, as amended, shall be applicable in Shelby County.

SECTION 2. The Property Tax Freeze Act shall not displace any other forms of tax relief or exemptions available to aged persons in force at the time of its passage and adoption, except as expressly provided or limited by applicable laws, or rules and regulations stated in this section.

SECTION 3. As used in this Resolution, unless the context otherwise requires, the following definitions, rules and policies shall apply:

A. **Rules, Regulations and Policies**. This resolution adopts the Senior Property Tax Freeze Act in its entirety, and incorporates both the statutory definitions and the rules, regulations, policies and procedures promulgated and adopted by the Tennessee State Board of Equalization through the Tennessee Division of Property Assessments, which have been adopted at [TN-ADC] Chapter 67, No. 0600-9 of the Rules of the State Board of Equalization. Qualifications for participating and proof of eligibility as to age, income and place of residence shall be determined according to the State Board of Equalization rules where they are not in conflict with the applicable statutes. Approval for that any tax abatement or freeze shall be subject to an annual application, the specified application process, and meeting the eligibility requirements. Rules and regulations shall be in writing and made available to all persons desiring to make application.

"Principal residence" means the dwelling owned by the taxpayer and eligible as the taxpayer's legal residence for voting purposes.

"Rules and regulations" means those requirements set by the State Board of Equalization as to qualification and proof of eligibility for participation as a senior citizen.

"Senior citizen" means any person, any joint property owner, any husband and spouse, with a principal residence within Shelby County, who will attain the age of sixty-five years on or before December 31 of the tax year for which the property tax freeze is requested.

"Taxes" means Shelby County real estate taxes.

"Taxpayer" means any homeowner, any person, any joint owner, any husband and spouse, any holder, owning real estate within the boundaries of Shelby County upon which a property tax shall become due and payable.

"Trustee" means the Shelby County Trustee.

C. **Tax Freeze Established**. A tax freeze for senior citizens shall be provided as follows:

1. Any Taxpayer who is sixty-five years of age or older and who owns residential property as his or her principal place of residence shall pay taxes on such property in an amount not to exceed the maximum amount of tax on such property imposed in the tax year in which the tax freeze is approved for the taxpayer (tax amount not to exceed frozen tax levied, except for improvements and ineligible taxable portions of the residence).

2. Any Taxpayer who reaches the age of sixty-five years after the effective date of this section who owns residential property as his or her principal place of residence shall thereafter pay taxes on such property in an amount not to exceed the maximum amount of tax on such property imposed in the tax year in which such taxpayer reaches the age of sixty-five years (tax amount not to exceed tax levied for year in which taxpayer attained sixty-five years of age, except for improvements and ineligible taxable portions of the residence).

3. Any Taxpayer who is sixty-five years of age or older who purchases residential property as his or her principal place of residence after his or her sixty-fifth birthday shall pay taxes in an amount not to exceed the maximum amount of tax imposed on such property in the tax year in which such property is purchased (tax amount not to exceed tax levied for year in which taxpayer purchased property, except for improvements and ineligible taxable portions of the residence).

   Provided, however, that whenever the full market value of such property is increased as a result of improvements to such property after the effective date of this section, then the assessed value of

as determined in the most recent federal decennial census shall not be eligible to receive the tax relief provided in this section. Total or combined income means that of husband and spouse, any person, any joint owners or holders of record.

This limit shall be adjusted by the comptroller of the treasury to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars ($10.00). The adjusted weighted average median household income level shall be published by the comptroller annually.

E. **Termination of Tax Freeze.** This Program can be terminated by resolution adopted by the Shelby County Board of Commissioners as provided in Tennessee Code Annotated, Section 67-5-705. The clerk of the legislative body must file a copy of the resolution terminating the program with the Division of Property Assessments within 45 days of adoption. The County Trustee shall remove all taxpayers under the tax freeze program for the tax year subsequent to the year in which the resolution terminating the program is adopted.

SECTION 4. BE IT FURTHER RESOLVED, That the provisions of this Resolution are hereby severable. If any of these sections, provisions, sentences, clauses, phrases, or parts are held unconstitutional or void, the remainder of this Resolution shall continue in full force and effect.

SECTION 5. BE IT FURTHER RESOLVED, That this Resolution shall take effect from and after the date it shall have been passed by the Board of County Commission, and certified and delivered to the Office of the County Mayor in writing by the Minutes Clerk of the County Commission, and shall take effect as provided herein, and becomes effective as otherwise provided by law.

SECTION 6. BE IT FURTHER RESOLVED, That any person or taxpayer who knowingly provides false information concerning that person, any other person or a taxpayer in the application process, or provides other false information relative to eligibility for the program commits a Class A misdemeanor under state law, and may be punished there under, as well as disqualified from further participation in the Tax Freeze Program.

SHELBY CO., TENN. BOARD OF COUNTY COMMISSIONERS

A C Wharton, Jr., County Mayor

Date: May 2, 2008

ATTEST:

Senior Citizens Tax Relief
Financial Impact

Costs to implement

One time program and space costs		
Assessor	$	50,000
Trustee		88,830
Recurring Costs		
Assessor - 1 employee		37,630
Trustee - 5 employees		252,421
Trustee - Seasonal temporaries, postage and other operating costs		56,728
Total implementation costs	$	485,609

Impact on Property Taxes - all amounts estimated

Percentage of households over 65		18.69%
Percentage of households over 65 under $31,500 income limit		58.60%
Impact on penny value for any tax rate increase:		
State calculation	$	88,849
Trustee calculation	$	93,232
Rounded average	$	90,000

To provide the $29 million needed to balance the FY2009 budget would require an 18 cent tax rate increase. Implementing Senior Citizen Tax Relief would increase the requirement to 19 cents.

Estimated impact over time:		
Tax rate increase 1999 through 2008	$	1.22
Round average impact form above per penny	$	90,000
Total impact over 10 years on property taxes billed	$	10,980,000