

Dauphin County Real Property Tax Deferral Act 50, 1998

Application and Instructions

Act 50 of 1998 permits counties, school districts, and municipalities to provide for the deferral (postponement) of payment of increases in real property taxes on the homestead of eligible property owners (claimant). The Dauphin County Commissioners, by Resolution 49-2001 made this deferral program available to Dauphin County property owners for County real property taxes.

An increase in real property tax is that amount over and above the base payment. The base payment is the amount of property tax paid by an applicant in the base year which is the tax year immediately preceding the first tax year for which the County implements the provisions of the Act or the tax year immediately preceding an applicant's entry into the tax deferral program. An annual real property tax deferral granted under this act shall equal the increase in real property taxes upon the homestead of the claimant.

The amount of tax deferral granted is provided in exchange for a lien against the homestead of the applicant in favor of Dauphin County and shall attach as of the date and in the same manner as other real estate tax liens.

Eligibility:

Income Eligibility: A claimant, regardless of age, shall be eligible for a tax deferral if the claimant and the claimant's spouse have a household income not exceeding the maximum household income eligible limitations set forth in the Senior Citizens Rebate and Assistance Act (Act of March 11, 1971, P. L. 104, No. 3). The household income limitation is \$15,000 with 50% of Social Security, SSI, and Railroad Retirement Tier 1 exempt from the calculations of total annual household income.

Homestead: A dwelling owned jointly in fee simple by the claimant(s), who is a natural person, which is the primary domicile of the owner(s).

Restrictions: No tax deferrals shall be granted if the total amount of deferred taxes, plus the total amount of all other unsatisfied liens on the homestead of the claimant, plus the outstanding principal on any and all mortgages on the homestead, exceeds 85% of the market value of the homestead or if the outstanding principal on any and all mortgages on the homestead exceeds 70% of the market value of the homestead.

Market Value: Shall equal the assessed value divided by the common level ratio as most recently determined by the State Tax Equalization Board for the County in which the property is located. For 2002 in Dauphin County, the market value is equal to the assessment for real property tax levy purposes.

Base Year Tax: The tax year preceding the first tax year for which a taxing authority implements the provisions of this Act (year 2001), or the tax year immediately preceding an applicant's entry into the tax deferral program.

Real Property Tax Liability: In order to be eligible, there shall be no prior year's real property tax liability...no delinquent real property taxes may be owed or due in order to be considered for deferral. The immediately preceding year's non-deferred real property tax shall have been paid in full prior to December 31st of that real property tax year.

Payment of the deferred tax lien:

All or part of the deferred taxes may be paid at any time to the County of Dauphin. The Dauphin County Tax Claim Bureau has been designated as the collector of all deferred County tax.

In the event the deferred tax is not paid by the claimant or the claimant's spouse during his or her lifetime or during their continued ownership of the homestead, the deferred tax shall be due and paid either: (1) prior to the conveyance of the homestead to any third party or; (2) prior to the passing of the legal or equitable title, either by will or by statute, to the heirs of the claimant or the claimant's spouse. The surviving spouse of a claimant shall not be required to pay the deferred taxes by reason of his or her acquisition of the homestead due to death of the claimant as long as the surviving spouse maintains his or her domicile in the property. The surviving spouse may continue to participate in the tax deferral program in subsequent years provided he or she is eligible under the provision of the Act.

Application and Approval Process:

The real property tax deferral requires an annual application to and annual approval by the County. Applications are available at the Dauphin County Office of Tax Assessment, Dauphin County Administration Building, 2 South Second Street, Second Floor, PO Box 1295, Harrisburg, PA 17108-1295, or, to receive an application by mail, telephone 717-780-6101.

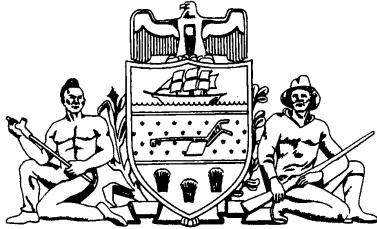
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The following documentation shall be attached to the application; any application filed without the required documentation will be disapproved.

1. Title search report to certify compliance with the debt to market value restrictions as described above. The title search shall include a report of all liens, mortgages, and liabilities entered against the homestead (including any previously deferred real property tax). The title search shall also include current account balances.
2. Copy of homeowner's insurance policy certifying that the claimant/applicant's homestead is adequately insured to the extent of all outstanding liens, including all deferred real property tax.
3. Receipts showing timely payment of the immediately preceding year's non-deferred real property tax liability.
4. Proof of income eligibility, which shall be in the form of a copy of the application for the immediately prior year's Pennsylvania Property Tax or Rent Rebate Program, or an original Income Eligibility Statement, available from the Office of Tax Assessment to supplement this application.
5. Copy of the deed for the homestead, indicating the owner(s) who is the claimant(s).

Claimant/applicants shall be notified of approval or disapproval prior to December 31st of the current tax year. Following notification of approval, and upon receipt of a real property tax bill, the claimant shall contact the local tax collector to pay the real property tax less the approved deferred amount.

The deferral is for current year (year following approval) County real property taxes only. No consideration will be given to any prior year's real property taxes or to delinquent real property taxes.



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Application

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1. Property I D Number which claimant(s) has declared as his/her Homestead and for which deferral is being sought:

_____ - _____ - _____ - _____ - _____
District Map Parcel Lot Trailer

2. Property Address: _____

3. Claimant(s)/Owner(s) Name(s): _____

4. Mailing Address (If different than property address/location): _____

5. The following documents are attached and are made part of my/our application: 1) Title search report; 2) Copy of homeowner's insurance policy; 3) Receipts showing timely payment of the immediately preceding year's non-deferred real property tax; 4) Proof of income eligibility; 5) Copy of deed for the property identified above as my/our homestead.

I/We hereby certify that the information submitted is true and correct. I/We understand that the amount of tax deferral granted is provided in exchange for a lien against the homestead of the applicant in favor of Dauphin County and shall attach as of the date and in the same manner as other real estate tax liens. By executing this application and with full knowledge of the above, I/We hereby request the appropriate tax deferral.

Signature of Owner

Date

Signature of Owner

Date

Official Use Only

Date Received: ___/___/___

Review Date: ___/___/___

Reviewer: _____

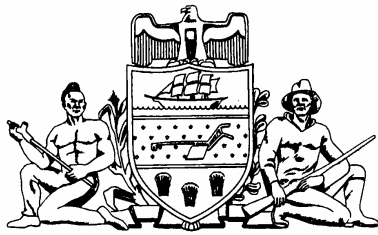
Documents Included (Circle all included): 1 2 3 4 5

____ Approved

____ Disapproved

____ Decision Letter Mailed to Claimant

____ Deferral Mailed to Tax Collector



Dauphin County Real Property Tax Deferral Income Eligibility Statement

A. Complete All

Claimant Social Security Number Claimant's Spouse's Social Security Number

_____ - _____ - _____ _____ - _____ - _____

Claimant Name: _____

Claimant's Spouse's Name: _____

Address: _____

Daytime Telephone Number: _____

Home Telephone Number: _____

Email Address: _____

B. List Below ALL INCOME Received By You and Your Spouse Last Year.

1. **50% of all Social Security, SSI Payments, and Railroad Retirement Tier 1 Benefits.** Submit form(s) SSA-1099, SSA year-end statement, SSI statement or Form RRB-1099..... 1. \$ _____
2. **Pensions, Annuities, and IRA Distributions.** Submit Forms..... 2. \$ _____
3. **Interest, Dividends, and Capital Gains.** Submit Schedules..... 3. \$ _____
4. **Net Rental Income** Submit profit and loss statement..... 4. \$ _____
5. **Net Business Income** Submit profit and loss statement..... 5. \$ _____
6. **Other Income** such as wages, cash public assistance, unemployment compensation, gifts totaling more than \$300, life insurance death benefits exceeding \$5,000. Submit statements..... 6. \$ _____
7. **Total Income of Claimant and Spouse** Add Lines 1 through 6. Total income may not exceed \$15,000..... 7. \$ _____

C. Certification: I/We declare that this claim is true, correct and complete to the best of my/our knowledge and belief.

I/We authorize the Dauphin County Office of Tax Assessment access to my Personal Income Tax records for the purpose of verifying the truth, correctness, and completeness of information reported in this form. The claimant(s) shall be guilty of a misdemeanor punishable by a fine up to \$1,000 and/or imprisonment for up to one year upon conviction should information provided herein be found to have been provided with fraudulent intent.

Signature of Claimant

Date

Signature of Claimant's Spouse

Date

County of Dauphin



Real Property Tax Deferral

Act 50, 1998

Tax Deferral Resolution No. 49-2001

The Dauphin County Commissioners are aware and concerned about the impact of the 2001 reassessment on certain taxpayers of modest economic means. These persons, who may experience dramatic increases in the value of their property, may be burdened by the resulting sudden and dramatic concurrent increases in their real property taxes. There is specific concern for such taxpayers who are also senior citizens.

The Legislature of Pennsylvania, through its adoption of Act 50, recognized the need for relief from such sudden and substantial changes in real property taxes. Contained within Act 50 is a provision for the deferral of tax increases on the properties of individuals economically qualified to participate in this program. The Dauphin County Commissioners believe that it is in the best interests of its lower income

taxpayers to implement such a program. Doing so allows property owners to remain in their homes. Further, benefit will accrue to all property owners by maintaining the stability of neighborhoods through allowing long-term residents to remain in those neighborhoods.

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2. Copy of homeowner's insurance policy certifying that the claimant/applicant's homestead is adequately insured to the extent of all outstanding liens, including all deferred real property tax.

3. Receipts showing timely payment of the immediately preceding year's non-deferred real property tax liability.

4. Proof of income eligibility, which shall be in the form of a copy of the application for the immediately prior year's Pennsylvania Property Tax or Rent Rebate Program, or an original Income Eligibility Statement, available from the Office of Tax Assessment to supplement this application.

5. Copy of the deed for the homestead, indicating the owner(s) who is the claimant(s).

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Instructions for Completing the Income Eligibility Statement

Section A...Claimant and Claimant Spouse Information

Complete all of Section A. Social security number(s) is required for claimant and claimant's spouse in the event it is necessary to verify the truth, correctness, and completeness of the information reported in this form with Personal Income Tax records in the PA Department of Revenue.

Section B...Income Information

Lines 1 through 6. You must report the income you and your spouse (if applicable) earned during the year immediately preceding the year in which you are applying for a real property tax deferral. Enter your income, or the combined income of you and your spouse, for each category. You must submit photocopies of your Social Security and Railroad Retirement Tier 1 income statements. You must also submit photocopies of Railroad Retirement pension/annuity benefits statements along with other forms 1099 showing pension income for the previous year. Also submit photocopies of Form(s) W-2, Department of Public Welfare cash assistance statements, federal or PA income tax returns, and any other documents verifying income.

Report on Lines 1 through 6: You must report the income you earned, received, and realized in the year preceding the year for which you applying for a real property tax deferral, and the income your spouse earned, received, and realized while residing with you.

- Salaries
- Wages
- Bonuses
- Commissions
- Value of an inheritance
- Income from self-employment, including partnership and PA S corporation income
- Alimony
- Support money
- Cash public assistance relief
- The Gross amount of pensions and annuities, including total distributions from any Individual Retirement Account
- 50% of the Social Security Equivalent Benefits Portion of Tier 1 of your 2000 Railroad Retirement Income as shown on Form RRB-1099
- 100% of your prior years annuity or pension benefits paid by the Railroad Retirement Board (Tier 2)
- 50% of your prior years social security benefits as shown in box 3 of your statement
- 50% of your prior years' supplemental security income (SSI) as shown on your SSA letter that shows your total yearly benefits or a listing of your monthly benefits
- Unemployment compensation
- Veterans' disability payment
- All interest and dividends
- Rental and royalty income
- Workers compensation benefits, except Section 306(c) benefits
- Gross amount of loss of time insurance benefits and disability insurance benefits
- Life insurance benefits and proceeds (except the first \$5,000 of the total death benefit payments)
- Gifts of cash or property (other than transfers by gift between members of a household) in excess of a total value of \$300
- Lottery winnings, including PA Lottery Winnings, prize winnings, and the value of other prizes
- Realized capital gains, including the gain excluded from the sale of a principal residence

Section C...Certification

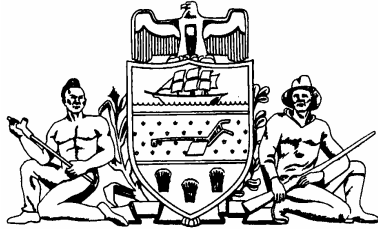
Signatures are required authorizing verification of information provided. Failure to execute this Income Eligibility Statement (or to provide a copy of the prior year's PA Property Tax or Rent Rebate Program application) will cause the application process to be terminated.

Questions concerning the accurate completion of this Income Eligibility Statement should be addressed to the Dauphin County Office of Tax Assessment, 2 S. Second Street, Second Floor, PO Box 1295, Harrisburg, PA 17108-1295 or by telephone to 717-780-6101.

Attention Tax Deferral Applicants: A title search of your property/homestead is required as part of the Tax Deferral application approval process. Dauphin County has arranged for a discounted title search charge of \$25.00 to be available to Tax Deferral applicants through A1 Abstract, 1800 Linglestown Road, Suite 101, Harrisburg, PA 17111, telephone number 717-257-5400. If you choose to use A1 Abstract for this required title search, call the above telephone number and tell their staff that you are applying for the Dauphin County Tax Deferral Program and want to order the necessary title search. Their staff will ask pertinent questions and prepare the title search. You will be responsible to pay A1 Abstract for their services and provide the title search to the Dauphin County Office of Tax Assessment as part of your application. Along with the title search (which will list any liens, judgments, and/or mortgages against the property) you are required to provide current account balances of all creditors listed on the title search. Attach a copy of the current monthly statement indicating the balance of all accounts listed on the title search. If you have any questions, contact the Dauphin County Office of Tax Assessment at 717-780-6101.

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