



## Press Release

**For More Information**  
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### **Seniors Lose Property Tax Exemption In Budget Cuts**

**Denver, CO.** In 2000, Colorado voters approved giving senior citizens a break on their property taxes on the first \$200,000 of assessed value. This same exemption was extended to disabled veterans in 2007. However, the constitutional amendment allows the Colorado legislature to raise or lower the property tax exemption at any time.

The legislature has used this authority to raise or lower twice – once in 2003 and again in 2009 - each time eliminating the exemption because of revenue shortfalls and state budgetary needs.

After the 2003 action and when the state had more money in 2007, funding was restored based on the property taxes paid in 2006.

The senior property tax exemption program is available to all senior citizens, regardless of income, to receive a reduction of property taxes on their primary residence. Elimination of the program this year allows the state to save \$91 million. Originally, the governor proposed a three year cut in the program; however, legislators were successful at limiting the cut to one year. Current budget projections suggest that most likely the cut will be extended.

The tax exemption was especially beneficial to low income seniors. Originally the bill was designed to help those seniors on a limited income who were unable to pay their property taxes. However, through the efforts of several senior groups, the exemption was expanded to include all seniors over the age of 65 who have lived in their own homes for more than 10 years. This policy increased the overall cost to the state.

The program is fairly simple. If a senior citizen's home is assessed at \$125,000 and the property tax assessment is \$950, the annual taxes are reduced to \$475. This represents a savings of 50% or \$475 for a homeowner.

Similarly, if a house is valued at \$300,000, the 50% reduction applies to the first \$200,000 of value, with the homeowner paying 100% on the last \$100,000. As in the example above, if the property tax was \$3000, the home owner would get a 50% reduction on the first \$200,000 or pay \$1000 and would pay 100% of tax on the last \$100,000 of value. Thus the total tax bill would be \$2000 rather than the original assessment of \$3000.

Many seniors received their property tax assessments earlier this year. Due to the state budget shortfall, seniors are now facing significant increases in their property taxes, many of them experiencing a 100% increase.

For many seniors, this increase has caused them to look for new ways to pay the tax bill when it comes due in February 2010. Low income seniors can qualify for the Property Tax/Rent/Heat Credit. To qualify for the credit, an individual must be a Colorado resident, be over the 65 and have less than \$1000/month of income (\$1309/month for couples).

Based on the amount of property tax (or rent) that was paid in 2008, the individual can receive up to \$760 in a credit. Individuals can apply for the 2007 rebate until December 31, 2009 and for the 2008 rebate until December 31, 2010. In January 2010, individuals will be able to apply for the 2009 rebate. Applications are mailed to the Colorado Department of Revenue.

Seniors who are current on their property taxes may also apply for the Property Tax Deferral program. Through the Deferral program, the state will pay the property taxes and file a lien on the property. The lien, which is interest bearing, can stay on the property as long as needed, but will accrue interest.

To help with these increased costs in property taxes, seniors may also want to apply for utility assistance through LEAP starting November 1, 2009. Individuals whose monthly income is less than \$1670 (couples \$2240/month) can apply for help with heating costs to the local county department of human services.

For assistance with applications for rebates, the deferral program, or LEAP, seniors can call 303-333-3482.

*Eileen Doherty, M.S. is the Executive Director of the Colorado Gerontological Society. She has more than 35 years of experience in gerontology in administration, research, training and education, and clinical practice. She can be reached at 303-333-3482 or at [doherty001@att.net](mailto:doherty001@att.net).*