

SENIOR CITIZENS TAX RELIEF STUDY

Bulletin No. 110



**LEGISLATIVE COMMISSION
LEGISLATIVE COUNSEL BUREAU**

STATE OF NEVADA

December 1972

Carson City, Nevada

FINAL REPORT OF THE SUBCOMMITTEE
FOR STUDY OF
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Senate Concurrent Resolution No. 30—Senators Foley, Brown, Close, Gibson,
Hug, Titlow, Dodge, Pozzi and Swope

FILE NUMBER. 109

SENATE CONCURRENT RESOLUTION—Directing the legislative commission
to determine methods of granting tax relief to senior citizens.

WHEREAS, The senior citizens of the state are burdened by fixed and
limited incomes; and

WHEREAS, The legislature desires to determine the most feasible method
for giving relief to such citizens; now, therefore, be it

Resolved by the Senate of the State of Nevada, the Assembly concur-
ring, That the legislative commission is hereby directed to determine
methods of granting tax relief to senior citizens, taking into consideration
the length of residence of such citizens in the state, and to make recom-
mendations to the 57th session of the Nevada legislature.

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 57th SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Senate Concurrent Resolution No. 30 of the 56th session of the Nevada legislature, which directed the legislative commission to determine methods of granting tax relief to senior citizens.

The legislative commission appointed a subcommittee to make the study and recommend appropriate legislation to the next session of the legislature. Senator B. Mahlon Brown was designated chairman of the subcommittee and the following legislators were named as members: Senator Proctor R. Hug and Assemblymen Eileen B. Brookman, Lawrence E. Jacobsen and Paul W. May.

The subcommittee worked diligently during a period of 17 months and its report with suggested legislation, attached for your examination, was approved by the legislative commission in December 1972.

Respectfully submitted,

Legislative Commission
State of Nevada

December 1972

* * * * *

LEGISLATIVE COMMISSION

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REPORT OF THE LEGISLATIVE COMMISSION'S
SUBCOMMITTEE FOR STUDY OF METHODS OF
GRANTING TAX RELIEF TO SENIOR CITIZENS

1. Introduction

In the 1971 session the Nevada legislature adopted Senate Concurrent Resolution No. 30, which directed the Legislative Commission to determine methods of granting tax relief to senior citizens, taking into consideration the length of residence of such citizens in the state, and to make recommendations to the 57th session of the Nevada Legislature. Pursuant to this resolution, the Legislative Commission in June 1971 appointed the following subcommittee to prosecute the study:

Senator B. Mahlon Brown, Chairman
Senator Procter R. Hug
Assemblyman Eileen B. Brookman
Assemblyman Lawrence E. Jacobsen
Assemblyman Paul W. May

The subcommittee held meetings in which the problem of the senior citizens' tax burden was explored in depth. A number of persons with special knowledge on the subject presented their views. In addition, several county assessors and other persons familiar with the effects of property taxation on senior citizens were interviewed individually. One subcommittee meeting was devoted to a discussion of proposed legislation with representatives of the executive branch of the state government. Various reports and materials published on the subject in other states were examined by the subcommittee. One of such reports, containing an excellent summary of the legislation in other states, is included herewith for convenient reference. (Exhibit A.) The subcommittee analyzed a number of alternative methods of dealing with the problem. The methods were considered from several aspects, including the experiences of other states which have adopted particular methods, the adaptability of the methods to Nevada, the legality of the methods under the Nevada constitution and the prospective cost of alleviating the tax burden of senior citizens.

2. Tax Burden of Senior Citizens

The testimony received by the subcommittee indicated a general public awareness that the Nevada senior citizens are more affected by inflation than any other group of citizens in the state. The subcommittee examined various studies which show the situation exists nationally. The senior citizens of the nation are living, for the most part, on fixed and limited

incomes, while property taxes (coupled with other living costs) continue to rise. Those senior citizens who are fortunate in owning their homes are being compelled to devote an increasing proportion of their incomes to the payment of their residential property taxes. The situation tends to jeopardize their ability to be self-sufficient and to retain ownership of the homes in which they have planned to spend their later years. For some of these citizens, the property tax could operate as a confiscatory device. Yet, it is probable that senior citizens impose less demand for public services than do the younger citizens. Generally speaking, too much of senior citizens' income is being drained into property taxes, leaving an insufficiency of money to meet their other essential requirements.

3. ACIR Cooperation in the Study

One of the first efforts of the subcommittee to fulfill the requirements of S.C.R. 30 was to communicate with the bipartisan Advisory Commission on Intergovernmental Relations (ACIR) in Washington, D.C. This approach was taken by the subcommittee's chairman, a member of the ACIR. Dr. John Shannon, the ACIR deputy director and tax specialist, furnished the subcommittee with various background materials on the senior citizens' tax problem. Later, Dr. Shannon personally appeared as a witness before the subcommittee at a meeting held in Las Vegas. He depicted the average senior citizen in the nation as paying out about 8 1/2 percent of his total household income to the residential tax collector. In some areas, Dr. Shannon noted, the percentage is higher. For example, in Wisconsin the property tax claims about 20 percent of the senior citizens' income. Contrasted with the condition existing for the senior citizen, the average homeowner in the nation (all ages being considered) must devote only about 3 1/2 percent of his total income to property taxes. On the average, the senior citizen is thus carrying a disproportionate burden. Some of the persistent criticism directed toward the property tax stems from the particular severity of its impact on senior citizens. Dr. Shannon declared to the subcommittee that it is feasible to shield the low income senior citizens from property tax overloads by the enactment of what is styled "circuit breaker" type legislation, and he recommended this concept to the subcommittee.

4. "Circuit Breaker" Legislation for Senior Citizens

The concept of "circuit breaker" legislation is this: when the property tax imposed on the home of a senior citizen reaches the

point where he must allocate an excessive portion of his income to make payment of the tax, the state intervenes and provides him a measure of relief. The legislation sets the percentage level at which the senior citizen's personal financial "circuit breaker" is deemed to pop. When it does, the state's assistance is triggered.

Wisconsin was the first state to adopt a type of "circuit breaker" legislation. Since 1964, the date of the Wisconsin enactment, other states have adopted similar legislation, as follows:

- Minnesota, 1967
- California, 1967
- Vermont, 1969
- Kansas, 1970
- Oregon, 1971
- Colorado, 1971
- Maine, 1971
- New Jersey, 1971
- Pennsylvania, 1971
- West Virginia, 1972
- New Mexico, 1972

5. Financing at State Instead of Local Level

The property tax is today, as it has been in the past, the mainstay of local government finance. One of the characteristics of "circuit breaker" legislation is that the state reimburses the local tax authorities for the cost of providing the assistance to the senior citizens. This characteristic distinguishes the "circuit breaker" scheme from other legislation granting citizens an outright exemption of a specified amount of assessed valuation, which results in a reduction of the local property tax base. The senior citizens may not be uniformly distributed among the local taxing jurisdictions. The state's underwriting removes the burden of funding the assistance onto the wider tax base of the state's general revenue. When the state underwrites the assistance, the counties do not suffer the loss of essential property tax revenue, now heavily committed to the support of local public services. This approach to funding avoids driving the counties to seek higher rates of property taxation, whereby the burden is shifted from the senior citizens' properties to other citizens' properties.

6. Income Qualification

The "circuit breaker" concept utilizes an income test as the determinant of the individual senior citizen's need for property tax assistance. The subcommittee notes Dr. Shannon's statement that the earlier "circuit breaker" type legislation

placed ceilings of about \$3,500 on income as a prerequisite for eligibility but that the states with such legislation are now raising the income ceiling to \$5,000 or \$6,000. California is the highest, the ceiling being \$10,000. California's relief in the highest range of income is, however, only 4 percent, and covers only the tax on the first \$7,500 of assessed value.

Under "circuit breaker" legislation, the measure of assistance is formulated in a staircase fashion, so that the lower the income, the greater the assistance.

The subcommittee agrees with the part of Dr. Shannon's presentation which stressed the desirability of including all types of "income" in any calculation of tax assistance. Under this approach, all cash resources coming into the home would be accounted for, in other words, every bit of cash flow into the household. Specifically, the "income" for determining senior citizens' property tax assistance would include not only what is reported on the federal income tax forms but also social security payments, veterans' and widows' benefits, railroad retirement and similar cash resources. Moreover, the income of the senior citizen who applies for assistance would have to be combined with that of his spouse as well as that of all other members of his household.

7. Assistance Formulas or Tables in Other States

Each of the "circuit breaker" enactments of other states contains a formula or table designed for measuring out the assistance in accordance with the claimant's individual circumstances. The various operative sections may be classified as of three kinds. In one kind, the state simply pays for that part of the individual's tax bill which exceeds a certain percentage of his income. In the second kind, the state pays a portion of his entire tax bill, the portion being scaled to his income range. In the third kind, the first two kinds are, in effect, combined; the part of the tax exceeding a percentage of his income is initially determined and then the state pays a portion of the excess. (Exhibit B.) For example:

1. A Vermont senior citizen who owns his home and receives a property tax bill amounting to more than 7 percent of his total income is reimbursed by the state for everything over the 7 percent. Hence, he must put up as much as 7 percent of his own income into his property taxes. It is only to the extent his property taxes exceed the 7 percent that the state furnishes him any assistance. The state does, however, pay 100 percent of the excess. The Vermont formula is a "circuit breaker" pure and simple.

2. The Minnesota formula is also simple, but it is not a "circuit breaker" in the same sense as the Vermont formula. The Minnesota law does not establish any percent of income as a circuit breaking point. There is no direct effort to tie the reimbursement to the portion of the income which the senior citizen is contributing toward property taxes. Instead, Minnesota just pays a percent of the individual's taxes. In any particular income range, the percent of assistance is the same: a claimant with a very low tax bill gets the same percent relief as a claimant with an excessively high tax bill. However, the Minnesota formula probably operates as a "circuit breaker" because the percent of relief increases as the ranges of income drop, and statistics show that the taxpayers of lower income are more apt to be paying an excessive portion of their income into property taxes. The California formula is similar to Minnesota's.
3. The Wisconsin formula employs two steps to arrive at the amount of assistance. Initially, a determination is made of the excess part of the tax. Next, Wisconsin calculates a percentage of the excess and pays this percentage to the claimant.

8. Dollar Limitation on Amount of Assistance per Claim

The various "circuit breaker" states have established amounts ranging from \$300 to \$500 as the maximum assistance permitted for any one senior citizen's household or claim. The result of such a maximum is that a low income owner of a very valuable home could be curtailed in the amount of assistance he will receive, despite the fact that under the statutory formula or table, as applied to his high tax bill, he might otherwise be entitled to a greater sum. The dollar limitation holds down the overall cost of the program and aids in spreading the distribution of the available assistance funds. The subcommittee considers a \$300 maximum to be appropriate for Nevada, all factors considered.

9. Net Worth Test

A net worth test for a senior citizen's eligibility is one method of ascertaining his true need for tax assistance. The net worth limitation could be applied to the total value of his holdings, both real and personal property, and whether possessed in Nevada or out-of-state. Alternatively, the limitation could be confined to his holdings of real property in Nevada, on which information is more readily available.

The net worth test complicates the problem of administering and policing the program of assistance. In most instances, the fact that a senior citizen has a high net worth would be reflected in his reported income. Consequently, if the level of his income did not disqualify him, the income would reduce his benefits under the graduated scale. In all events, he would not be assisted beyond the amount of the dollar limitation for a single claim.

The existing property tax exemption statutes in Nevada do not require the claimants to meet either a net worth test or a low income test.

The subcommittee feels, on balance, that it is not essential to have a net worth test in legislation for senior citizens' tax assistance.

10. Age of Eligibility

The consensus of the subcommittee is that the taxpayer should have attained the age of 65 years or over to qualify for the proposed property tax assistance. The retirement age is commonly at 65 years. Upon retirement from active economic life, the income of a citizen is frequently much reduced. After that juncture, he can ordinarily no longer rely upon any increase in wages or business earnings to offset increases in property taxes. Sixty-five is the age at which the need for assistance is likely to arise.

The subcommittee draws no distinction between male and female senior citizens with respect to the age of eligibility.

11. Length of Residence

S.C.R. 30 directed that the Legislative Commission take into consideration the length of residence in the state by Nevada senior citizens who may seek tax assistance. It is evident that many persons considering the proposed legislation would wish to give preference to those senior citizens who have resided in Nevada for a substantial length of time.

Two recent U.S. Supreme Court cases have struck down certain residency requirements. The potential effect of these cases must be taken into account. One case, Shapiro v. Thompson, 394 U.S. 618, 89 S.Ct. 1322 (1969), drastically reduced the residency requirement for welfare applicants. The other, Dunn v. Blumstein, 92 S.Ct. 995 (1972), held that the residency requirement for local voting purposes could ordinarily not be permitted to exceed 30 days.

Nevada Attorney General's Opinion No. 85 of June 19, 1972, follows the Dunn opinion.

The following are excerpts from the U.S. Supreme Court's language in Dunn:

* * * We considered such a durational residence requirement in Shapiro v. Thompson * * * where the pertinent statutes imposed a one-year waiting period for interstate migrants as a condition to receiving welfare benefits. * * * concluded that since the right to travel was a constitutionally protected right, any classification which serves to penalize the exercise of that right, unless shown to be necessary to promote a compelling state interest, is unconstitutional. (Emphasis added.) 92 S.Ct. 1001.

* * * Appellee does not challenge Tennessee's power to restrict the vote to bona fide Tennessee residents. Nor has Tennessee ever disputed that appellee was a bona fide resident of the State and county when he attempted to register. But Tennessee insists that, in addition to being a resident, a would-be voter must have been a resident for a year in the State and three months in the county. It is this additional durational residence requirement which appellee challenges. (Emphasis added.) 92 S.Ct. 999.

* * * In the present case, whether we look to the benefit withheld by the classification (the opportunity to vote) or the basis for the classifications (recent interstate travel) we conclude that the State must show a substantial and compelling reason for imposing durational residence requirements. 92 S.Ct. 999.

* * * In sum, durational residence laws must be measured by a strict equal protection test: they are unconstitutional unless the State can demonstrate that such laws are necessary to promote a compelling governmental interest. (Emphasis added.) 92 S.Ct. 1003.

* * * Concluding that Tennessee has not offered an adequate justification for its durational residence laws, we affirm the

judgment of the [three-judge federal district] court below [which had held the requirement unconstitutional]. 92 S.Ct. 1012.

Thus, the rationale of the two cases is that the states may not continue to make an unreasonable classification of their citizens according to longer and shorter residency backgrounds. It appears that any waiting period imposed upon the newer citizens is constitutionally allowable only if justified by an administrative necessity. Otherwise, the newcomers are entitled to share fully in any benefits furnished to the other citizens of the state.

In the proposed legislation for senior citizens' tax relief, a requirement of ownership and occupation up to 1 year seems justified in the case of real property and other property on the secured tax roll. This period of residency merely coincides with the normal period over which the owner's property is assessed, equalized and taxed.

A different situation is posed, however, in the case of property on the unsecured tax roll (like most mobile homes). The taxes on such property are levied in the initial month of the assessment year. Any requirement of residency prior to that time would not relate to the taxing process occurring within the assessment year itself.

The subcommittee agrees that any durational residency requirement in the proposed legislation should not extend beyond 1 year. If it were more, the legislation might be subject to invalidation as infringing against the Equal Protection Clause of the U.S. Constitution.

12. Administrative Considerations

The subcommittee believes that a program of senior citizens' tax assistance is best administered at the local level. The local public officials have a greater opportunity than state administrators to be in touch with the problems and circumstances of individual senior citizens. The county assessors have had the experience of handling the applications of widows, orphan children, the blind and veterans for tax exemptions. For example, Chief Deputy Assessor William B. Byrne of Clark County told the subcommittee that his office processes 18,000 veterans' applications annually. It is true that all of the present tax exemption statutes involve making deductions from the assessed valuation of the applicants' property, while none

of these statutes involves the new aspect of keying reductions of levied taxes to the individual income level of each applicant, as in "circuit breaker" legislation. Upon consideration, the subcommittee is of the view that the county assessors are in the best position to be given the primary task of handling the applications of senior citizens for property tax assistance.

Most states with "circuit breaker" laws have a state income tax. In those states, the agency responsible for administering the income tax can often credit the income tax accounts of any senior citizens who are entitled to property tax assistance. In many cases, however, the senior citizens claiming "circuit breaker" benefits in those states do not owe any state income tax against which credit could be allowed. The income tax agency, therefore, mails them cash rebates. Regarding a state like Nevada which has no income tax or income tax agency, writers on the subject have thought it feasible to have some other agency issue rebate checks for senior citizens' property tax relief. Or, it is thought that, if rebate warrants are not desirable, credit could be allowed by the local authorities against the senior citizen's current or future property tax bills.

Aside from the function of making the payment or allowance of benefits, some administrative machinery must be available preliminarily to screen the income information, which supports the senior citizens' claims of eligibility, one of the chief features of the "circuit breaker" concept being the scaling of assistance according to the applicant's range of income. Those states with the income tax have an already existing agency for the job. A state without an income tax must assign the job to another agency. An adequate review must be given to the claimant's income assertions. The subcommittee believes that the county assessor's offices are the proper agencies to perform the initial screening of the senior citizens' applications, including their income statements. Uniform instructions and application forms to accomplish this job could be prepared by the Nevada Tax Commission. (Exhibit C shows the administrative forms and instructions used in California.)

The tax commission should review the income information through such means of cross-checking as are available. The commission should have powers of verification and audit. To avoid the necessity of frequent field checks, the program should be designed to place considerable reliance on the

effect of requiring all claims to be made by oath or affidavit with a strong criminal penalty for deliberate fraud. The law should also require that restitution be made by any homeowners whose claims are found not to be legitimate.

It will also devolve upon the tax commission to handle the periodic reimbursement of the counties for the total amounts of assistance the counties have respectively credited or paid to individual senior citizens.

13. Manner of Providing the Assistance

If a senior citizen requires assistance to pay his property tax, it would be best to provide him the assistance before his tax bill becomes due. In this way, he would not have to raise the money, only to have it rebated at a later date. It appears administratively feasible to furnish the assistance as an allowance of credit on the senior citizen's individual tax bill. His initial bill could then be sent out properly adjusted to reflect the credit. Sending a second, corrective bill could be avoided; and the senior citizen would not have to report to the office of the taxing authority to claim the credit.

By using a credit system, the step of issuing cash rebate warrants is eliminated. Moreover, a credit system insures that all the money the legislature appropriates for property tax assistance will be used for the purpose intended.

Although a system of furnishing assistance through credit allowances has advantages over a rebate system, the credit system requires expeditious processing of claims, so that tax deadlines are met. If "circuit breaker" claims cannot be processed soon enough to precede billings and tax due dates, the alternative is to have senior citizens pay their tax bills first and seek rebates later. Under a rebate system, senior citizens' claims may be processed routinely without reference to impending deadlines.

14. Phasing of the Periods of Income Accounting and Property Assessment

In Nevada, the assessment year is a fiscal year running from July 1 to the next June 30. It would be logical to test senior citizen's income as of the same period for which he seeks property tax relief. Two difficulties are, however, involved. For one thing, the individual usually keeps his personal income account on a calendar year basis. For another, the assessment

roll is prepared and extended long before the end of the assessment year. If tax relief is to be noted on the roll as an allowance, it is not possible to await the end of the fiscal year to receive the claimants' statements of income. (Exhibit D.)

In California, the problem of dissimilar periods also exists. The problem was solved by adoption of a statute declaring:

Total income shall be determined for the calendar year (or approved fiscal year ending within the such calendar year) which ends within the fiscal year for which the property taxes have been assessed. (California Revenue & Taxation Code, § 19501.5)

If the next earlier income year were selected, it would begin 18 months before and would end 6 months before the start of the assessment year. That income year is too remote to be a proper indicator of the senior citizen's need in the assessment year for which he claims assistance. If the next later year were selected, it would begin in the middle of the assessment year and would not end until 6 months after the assessment year. To use the latter income year, an estimated income would have to be accepted--not a reliable foundation for a grant of public assistance.

Therefore, the income year the senior citizen should use for his application is the calendar year that runs 6 months before and continues 6 months into the assessment year for which he seeks property tax assistance.

If the legislation is to provide assistance for owners of homes on the unsecured roll (mobile homes), such a claimant would report his income for the calendar year ending 6 months before the assessment year.

15. Senior Citizens Who Own Mobile Homes

The subcommittee has come to the conclusion that senior citizens who own mobile homes should be included in any program of property tax assistance. Although mobile home owners generally are not paying a real property tax on their homes, they are paying an ad valorem personal property tax of the same rate.

Nevada statutes require the owner of a mobile home to pay a personal property tax on it within 30 days after July 1 of each fiscal year or within 30 days after he purchases it or

brings it into the state, unless he satisfies the county assessor that he owns real estate within the county of sufficient value to pay the taxes on both his real and personal property. (NRS 361.562, 361.563, 361.5642 and 361.505.)

The effect of these statutes is to require most mobile home owners to pay their property taxes in the first month of the assessment year. (This year runs from July through the following June.)

A few mobile home owners arrange to have their homes placed on the secured tax roll. When so listed, a mobile home owner's time for property tax payment is postponed until the end of the assessment year. Indeed, he gains the further privilege of paying his taxes in quarterly installments during the next year (i.e., the year following the assessment year, as in the case of real property).

If assistance is provided as a credit on the property tax bills of mobile home owners, the significant procedural factor is whether the home is on the secured or unsecured roll. If the mobile home is placed on the secured roll, the owner's tax timetable is the same whether the home is converted to realty or remains classified as personal property, and steps to provide him tax assistance may take place within the assessment year. If the mobile home is placed on the unsecured roll, steps to provide the owner tax assistance must necessarily precede the assessment year, since he is billed at its onset.

Whatever may be the mechanics of furnishing the assistance to mobile home owners, senior citizens of this class who are overburdened by property taxes should be allowed to share uniformly with conventional homeowners in the benefits of a tax relief program.

16. Senior Citizens Who Rent Their Homes

About one-half of the states which have enacted "circuit breaker" legislation to assist senior citizens have included renters. The senior citizens who rent their homes are indirectly paying real property taxes through their rent payments (as is the case for all renters). In general, the senior citizens who rent their homes comprise a group with lower incomes than the senior citizens who own their homes and, hence, would appear to require assistance of the same magnitude, if not greater.

The states providing benefits to the renters treat a certain percentage of their rent as earmarked for property taxes. The percentages vary from 10 to 35. While the actual property taxes on the landlord's premises could be ascertained, and, in the case of multiple tenancies, proportioned to allot an amount for each apartment of a senior citizen, it is believed that it would be administratively easier to use the percentage method, as adopted in other states.

The subcommittee was advised by Mr. Byrne that Nevada real property taxes are lower than in many of the other states. His impromptu estimate was that a 10 to 12 percent figure might more accurately reflect the proportion of rent receipts taken into property taxation in this state. Subsequently, by letter, he confirmed that the proportion was approximately from 11 to 16 percent, depending on the value of the rental unit. (Exhibit E.) Dr. Shannon advised the subcommittee, however, that a 20 percent figure was justifiable in a state with moderate real property taxes.

If assistance is to be furnished to senior citizens who rent their homes, an average figure must be selected (for purposes of the statute) as the percent of rent deemed to constitute accrued property taxes. The renter may treat this proportion of his annual rent as if it were his personal tax payment. The statutory formula used for assistance to senior citizen homeowners can then be applied to the renters.

The administration of renters' claims would require that they list the name and address of their landlords for purposes of corroboration of rents paid. Also, the renters should be required to show that their total rent payments were not set artificially high through family arrangement but were negotiated at arm's-length, thus being reasonably representative of the prevailing market for rented homes.

Renters as a group probably move from one home to another more frequently than owners. Some difficulty is anticipated in checking on the rent vouchers submitted by applicants. The subcommittee thinks that a desirable control for this situation is to require a claiming renter to have remained in one particular home for at least 6 months of the year.

Concern is felt over the prospect that some landlords may raise the rents of senior citizens upon finding that they are receiving property tax assistance. It is possible that a temporary check against such tendency may be available under the rent controls of the Federal Economic Stabilization Act of 1970, as amended.

The tax assistance to senior citizens who rent cannot be provided on a credit basis. Obviously, it is not feasible to enter allowances for them on the tax roll and bills, since these documents are prepared in the names of the landlords or owners and the taxes are paid by them. Renters' assistance must be provided, if at all, in the form of cash rebates to the individual claimants. The rebate check should be issued after the year's rent has been paid. Of course, a senior citizen could use the cash for his future rent or any other purpose.

For the same reason that the county assessors' offices are best positioned to evaluate the claims of homeownership senior citizens, it is believed that their offices should also process the renters' claims.

The renters' individual checks could be issued by county authorities, but, because the state must do the ultimate financing of the program, fewer steps seem involved if the state were to issue the rebate warrants directly to the individual claimants rather than to issue master rebate checks to the counties which, in turn, would have to distribute the individual checks.

The consensus of the subcommittee is that some method should be found to relieve the economic plight of the senior citizens who pay high rent as the result of high property taxes. The "circuit breaker" legislation probably provides as good a method as any.

17. Nevada's Constitutional Requirement for Equal Taxation of Property

The Nevada constitution at article 10, section 1, requires, in general, that all property in the state be assessed and taxed equally. Five exceptions are constitutionally permitted: for municipal, educational, literary, scientific and charitable purposes. The list has been held to be exclusive. The only exceptive category into which the senior citizens' assistance program could fit is the one for charitable purposes.

Nevada has long provided property tax exemptions for widows and orphaned children. There is no means test required for these people. This fact was alluded to by the Nevada Supreme Court in Hendel v. Weaver, 77 Nev. 16, 359 P.2d 87 (1961), where a constitutional challenge was being made to the veterans' exemption on the ground that there was no means test for the veterans. (Exhibit E.) In an opinion rendered without

dissent, the High Court held that the veterans' exemption was an exemption for charitable purposes, just like the widows' and orphaned childrens' exemptions. But more importantly, the Court held that it was not necessary for the veterans' exemption statute to confine its benefits to needy veterans. The Court said that, just as some of the exempted widows and orphaned children might be rich and yet receive benefits under the statutes, so could some exempted veterans. The Court indicated that it was enough for constitutional validity if the statute as a whole serves a charitable purpose. It, therefore, appears that eligibility provisions may be broadly framed for administrative convenience and efficiency.

The subcommittee was advised by Dr. Shannon that other states do not regard the "circuit breaker" type of legislation as creating any tax exemption, directly or indirectly. Under this kind of legislation, property is assessed in the usual manner. The homeowners' taxes are actually paid to the local government, albeit through state funds. As to a program of assistance to renters, there would be no interference at all with either tax procedure or revenue.

The "circuit breaker" legislation can be viewed from the standpoint that it is not even creating an exemption, but rather is establishing a system of outright grants of assistance to senior citizens in the lower income brackets under the lawmakers' general power to legislate for public purposes. Thus, it is believed that the various state constitutional provisions requiring equal assessment and taxation of property may not really be affected by the "circuit breaker" type of law.

18. Views of Representatives of the Executive Branch

The subcommittee has taken into consideration the views of the state's executive branch on the subject of relieving the tax burden of senior citizens. Mr. John Sheehan, the Executive Secretary of the Nevada Tax Commission, addressed the subcommittee and discussed the features of a proposed bill designed by the executive branch to accomplish such relief.

As explained to the subcommittee, the executive proposal set a limit of \$5,000 in income for eligibility and a maximum relief of \$350 to a single claimant. These limitations are approximately in accord with the ideas of the subcommittee.

The executive proposal set the minimum age for eligibility at 62 years. While the subcommittee recognizes the possible need

for assistance by many persons in the age brackets of 62 to 64, each reduction of age increases the number of potential applicants. The subcommittee prefers to start the program with an eligibility limit of 65 years and await fiscal experience with the program before lowering the age limit.

The executive proposal incorporated a 5-year residency requirement for applicants. The subcommittee has previously mentioned the constitutional question involved in any durational residency requirement.

The executive proposal was intended to include mobile homeowners within the purview of its benefits. Mr. Sheehan advised the subcommittee that, if mobile homeowners were eliminated, the discrimination in favor of conventional homeowners could invite a constitutional question. However, in authorizing relief to a claimant from taxes on his "homestead," the executive proposal defined the term "homestead" to include those "mobile homes which are assessed as realty." It seems that this definition would bar assistance to large numbers of mobile homeowners. The subcommittee agrees that mobile home owners should be included in any program of relief to senior citizens.

The executive proposal did not include assistance to senior citizens who rent their homes. The subcommittee feels that this group should also be included.

The executive proposal was designed so that the local authorities would not be involved in the administration of the program. (County assessors' offices would, however, stock and furnish application forms.) The office of the Nevada Tax Commission would receive and grant the applications and would arrange for the distribution of the assistance payments directly to the senior citizens. By contrast, the subcommittee's view is that the local authorities should have a larger participation in the program.

Under the executive proposal, the senior citizens would pay their taxes when due, but thereafter could obtain assistance in the form of cash rebates. The subcommittee has been inclined toward a system of credits on the homeowners' tax bills, so that those in financial straits would be relieved before the due dates on their tax obligations.

The executive proposal adopted the Vermont "circuit breaker" formula as the method of determining the amount of assistance.

The fiscal impact of the executive proposal was analyzed by Mr. Angus McLeod, who served in the Budget Division of the State Department of Administration. According to his analysis, the estimated cost of the executive proposal, excluding mobile homeowners, would be about \$540,000 a year, plus \$60,000 for administrative expenses.

The subcommittee especially commends the executive branch for its work in planning tax relief for the senior citizens of this state and appreciates the fact that the representatives of the executive branch have appeared and contributed to the subcommittees' deliberations.

19. The Subcommittee's Proposed Legislation

The subcommittee has prepared suggested legislation, which reflects the study the subcommittee has undertaken pursuant to S.C.R. 30. The suggested legislation incorporates the subcommittee's specific findings and conclusions concerning methods of providing property tax assistance to senior citizens. A copy of the suggested legislation is attached to this report as Exhibit G.

20. Projected Cost

The Advisory Commission on Intergovernmental Relations (ACIR) prepared a special analysis of the prospective cost of a program for assistance to Nevada senior citizens. This study contained three calculations of cost based on the respective assistance formulas and eligibility provisions in the statutes of Minnesota, Vermont and Wisconsin. (Exhibit H.) The projections were as follows:

<u>Type Formula</u>	<u>Cost</u>
Wisconsin	\$252,132
Vermont	\$388,841
Minnesota	\$572,464

The ACIR utilized data from the 1970 census, supplemented by special census tabulations obtained in Washington, D.C. It was also necessary for the ACIR to make various interpolations and estimates. The ACIR analysis indicates the following:

Nevada's senior citizens who are heads of household and whose incomes are below \$5,000 per year:

Owners	Fixed home	4,399	
	Mobile home	<u>3,576</u>	
	Total		7,975
Renters	Fixed home	4,498	
	Mobile home	<u>574</u>	
	Total		5,072

(Exhibit H: ACIR Cost Study of June 29, 1972, at Tables I and III)

When the ACIR population estimates for Nevada are applied to the legislation suggested by the subcommittee (Exhibit H), the following costs are estimated:

Owners of Conventional Homes

<u>Income Level</u>	<u>Number of Fixed Homeowners</u>	<u>ACIR Estimate of Taxes Paid</u>	<u>Approximate Percent Assistance</u>	<u>Estimated Cost of Assistance</u>
\$ 0-1,000	274	\$ 26,627	85	\$ 22,600
1,000-2,000	1,203	257,250	65	167,200
2,000-3,000	1,411	466,575	45	210,000
3,000-4,000	798	217,465	30	65,200
4,000-5,000	<u>713</u>	<u>240,414</u>	15	<u>36,000</u>
	4,399	<u>\$1,208,331</u>		<u>\$501,000</u>

Owners of Mobile Homes

<u>Income Level</u>	<u>Number of Mobile Homeowners</u>	<u>ACIR Estimate of Taxes Paid</u>	<u>Approximate Percent Assistance</u>	<u>Estimated Cost of Assistance</u>
\$ 0-1,000	526	\$ 31,725	85	\$ 27,000
1,000-2,000	1,214	181,763	65	118,100
2,000-3,000	878	173,139	45	77,900
3,000-4,000	598	99,600	30	29,900
4,000-5,000	<u>360</u>	<u>78,938</u>	15	<u>11,800</u>
	3,576	<u>\$ 565,165</u>		<u>\$264,700</u>

Renters of Conventional Homes

<u>Income Level</u>	<u>ACIR Estimate of Annual Rent</u>	<u>"Property Tax Component"</u>	<u>Approximate Percent Assistance</u>	<u>Estimated Cost of Assistance</u>
\$ 0-1,000	\$ 118,635	\$ 17,795	85	\$ 15,100
1,000-2,000	1,017,518	152,628	65	99,200
2,000-3,000	738,663	110,799	45	49,900
3,000-4,000	686,315	102,947	30	30,900
4,000-5,000	625,095	93,764	15	14,100
	<u>\$3,186,226</u>	<u>\$477,933</u>		<u>\$209,200</u>

Renters of Mobile Homes

<u>Income Level</u>	<u>ACIR Estimate of Annual Rent</u>	<u>"Property Tax Component"</u>	<u>Approximate Percent Assistance</u>	<u>Estimated Cost of Assistance</u>
\$ 0-1,000	\$ 21,590	\$ 3,239	85	\$ 2,800
1,000-2,000	120,308	18,046	65	11,700
2,000-3,000	64,850	9,728	45	4,400
3,000-4,000	44,450	6,668	30	2,000
4,000-5,000	23,760	3,564	15	500
	<u>\$ 274,958</u>	<u>\$41,245</u>		<u>\$21,400</u>

Summary

	<u>Estimated Cost</u>
Assistance to conventional homeowners	\$501,000
Assistance to mobile homeowners	264,700
Assistance to renters (Both types of homes)	<u>230,600</u>
	<u>\$996,300</u>

The legislature may wish to have the program extended so that its benefits will be available to senior citizens with annual incomes of \$5,000 to \$6,000 or \$5,000 to \$7,000. If the legislature should decide upon one of these options, the additional costs are projected as follows:

Income Bracket of \$5,000-\$6,000

	<u>ACIR Estimate of Number of Persons</u>	<u>ACIR Estimate of Taxes Paid</u>	<u>Assumed Percent Assistance</u>	<u>Estimated Cost of Assistance</u>
Fixed Homeowners	528	\$160,013	10	\$16,000
Mobile Homeowners	329	63,563	10	6,400
		<u>Property tax Component of Rent</u>		
Fixed Home Renters	367	69,561	10	7,000
Mobile Home Renters	22	3,292	10	<u>300</u>
				<u>\$29,700</u>

Income Bracket of \$6,000-\$7,000

Fixed Homeowners	409	\$129,525	5	\$ 6,500
Mobile Homeowners	235	48,767	5	2,400
		<u>Property tax Component of Rent</u>		
Renters of Fixed Homes	273	82,290	5	4,100
Renters of Mobile Homes	11	1,823	5	<u>100</u>
				<u>\$13,100</u>
Combined Total				<u>\$41,800</u>

A cautionary note must be added to these cost projections. The breakdowns of the Nevada senior citizen population according to income level, type of home, and status as owner or renter are estimates. These estimates are derived in part from 1970 census of population, and it is assumed that the Nevada population of senior citizens has increased since the census.

21. Summary of Findings and Conclusions

1. Many senior citizens of this state are carrying an excessive property tax burden, which is disproportionate to their relatively fixed and limited incomes.
2. To lessen this burden, tax assistance legislation should be enacted.
3. The modern "circuit breaker" type of legislation was designed to provide assistance to those senior citizens who need it most by scaling the amount of assistance to their respective levels of income. "Circuit breaker" legislation is more sophisticated than the earlier tax exemption statutes that furnish all recipients the same amount of assistance. "Circuit breaker" legislation can be adapted for use in Nevada.
4. The tax assistance should be made available to those senior citizens who have attained the age of 65 years and above.
5. To qualify for the assistance, the senior citizen should not have a household income exceeding \$5,000. "Income" should include Social Security, retirement pay and other sources not necessarily reported under federal returns. The incomes of the senior citizen and other members of his household should be treated in the aggregate.
6. The maximum assistance on any claim (and extent of the state's liability) should be \$300.
7. Because of recent decisions in the U.S. Supreme Court, any durational residency requirement should not exceed 1 year.
8. Senior citizens who own mobile homes should be allowed to qualify for the proposed tax assistance on the same basis as those who own conventional homes.
9. Senior citizens who rent their homes are in as much need of tax assistance as the homeowners. Renters pay real property taxes indirectly through their rent. Renters should also be included in the program of assistance.
10. The local tax authorities should have a substantial role in administering the program. Claims should be handled expeditiously and, insofar as possible, on a credit basis.
11. The program of assistance should be financed by the state.
12. The Nevada Tax Commission should be given overall authority to achieve uniformity of administration, including the preparation of forms and instructions. The commission should handle the reimbursement of the counties for any assistance granted at the local levels. Reimbursement

should be timely enough to avoid having the program interfere with anticipated revenue receipts during the budget year of the counties.

13. Claims should be submitted under oath or affidavit, with the criminal penalty of gross misdemeanor imposed for fraudulent claims. The Nevada Tax Commission should be empowered to verify and audit all claims and accounts.
14. Confidentiality of claims should be preserved, except for administrative handling, in order to maintain the dignity of the senior citizen.
15. An annual cost of approximately \$1,000,000 is projected for a program of senior citizens' property tax assistance, if the program is designed with percentages of assistance, provisions for eligibility and coverage of groups similar to Exhibit G.

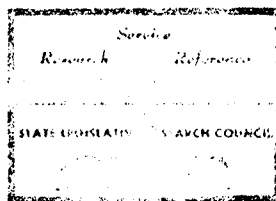
22. Recognition

Finally, the subcommittee wishes to thank all the persons and organizations, in addition to those specifically mentioned in this report, who have so freely contributed their time and expert assistance to the subcommittee during its undertaking of this study.

Respectfully submitted,

Senator B. Mahlon Brown, Chairman
Senator Procter R. Hug
Assemblyman Eileen B. Brookman
Assemblyman Lawrence E. Jacobsen
Assemblyman Paul W. May

RELIEVING THE REAL PROPERTY TAX BURDEN
ON ELDERLY SOUTH DAKOTA
PERSONS WITH LIMITED INCOMES



STATE LEGISLATIVE RESEARCH COUNCIL

State Capitol

Pierre, South Dakota

NOVEMBER 24, 1971

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ITS CONTENTS ARE NOT NECESSARILY ENDORSED
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RECOMMENDATIONS.

INTRODUCTION

In view of the large percentage of elderly citizens living on fixed limited incomes in South Dakota and the growing interest being expressed in providing such citizens with some measure of property tax relief, the purpose of this report is to provide the members of the interim Taxation Committee with information regarding the laws of this state and of various other states, relating to methods of relieving the real property tax burden on retired and elderly persons living on limited incomes. It includes a review of the "circuit-breaker" system of tax relief. There is also a discussion of the several bills introduced in the 1971 South Dakota Legislative Session which would have provided, in various forms, property tax relief for the elderly.

Portions of the information contained in this memorandum are summarized from the Commerce Clearing House, State Tax Guide.

Please take note of Appendix C to this report which consists of excerpts from a new study entitled "Property Taxes and the Circuit Breaker" by Drs. Calvin A. Kent and Allyn O. Lockner. This was a study prepared for Governor Richard Kneip's Council on Tax Decision and sponsored by The Institute of Public Affairs at the University of South Dakota, Vermillion, South Dakota, September, 1971.

ALTERNATIVE METHODS OF RELIEF

Pressures upon state legislatures to provide some form of tax relief to elderly persons and other persons living on fixed incomes have been increasing over the last several years. Relief from the property tax burden is one method of providing financial assistance to families living on moderate fixed incomes. A number of states have enacted legislation providing for such relief. A study of legislation in those states providing such relief indicates there are two basic approaches to the accomplishment of that goal.

The first method utilizes the exemption concept to the property tax. Under this system, criteria are developed which qualify a segment of the citizenry for tax relief. These individuals are allowed an exemption on their property taxes. Some states allow an exemption of a stated amount of equalized valuation (Alabama, Delaware, Florida, etc.), other states allow a limited credit which may be applied to the amount of tax due (Idaho, New Jersey, Washington, etc.), and yet other states allow some reduction in assessed valuation (Illinois, North Dakota, Oregon, etc.).

The second method, employed by several states, is the "circuit-breaker" system which provides property tax relief when property taxes reach some certain level. Relief may be granted either when the property exceeds some set percentage of a taxpayer's income or when the taxes exceed some certain percentage of the market value of the taxable property. Here again, criteria are developed as to who qualifies for

benefits under such system. Qualified individuals are then generally allowed a credit against their state income tax liability for a percentage of property taxes paid. If the amount of credit allowable exceeds the amount of income tax due, the state may refund the excessive amount to the individual. In some states where the "circuit-breaker" system is employed, relief is given also to qualified individuals who rent rather than own their homestead (Wisconsin, Minnesota, etc.). A stated percentage of rent paid is usually considered equivalent to property taxes and is treated the same as property taxes paid by the homeowner.

The exemption, or homestead exemption, as it is frequently called, is administered at the local level and results in a reduction of income to the functions of local government supported by the property tax. However, the "circuit-breaker" system is administered at the state level and results in a reduction of the amount of state income taxes collected, either by the granting of a credit against income tax liability or utilization of income tax collected for rebates (due to allowable credits exceeding the amounts of tax due by taxpayers entitled to such credits), and does not affect financing of local government functions supported by the property tax. The possibility of such rebates coming from sources other than income tax collections should be noted. It is interesting to note that the state of Michigan has adopted an exemption method and incorporates certain characteristics of the "circuit-breaker" system. The state treasury reimburses local elements of government for lost revenues due to homestead exemptions.

Under either system, the criteria developed for qualified individuals are usually tied to the age of the person and the amount of income. Generally the systems apply to persons 65 years of age or older with annual incomes not exceeding a certain amount. For example some cut off points are: Michigan, \$6,000; North Dakota, \$3,000; and Connecticut, \$3,000 if single, or \$5,000 if married. In some states, the amount of credit allowed under the "circuit-breaker" system is graduated on the basis of the amount of income of the household.

Another version of relief is the deferred payment plan. It would generally be used in conjunction with an exemption plan. The unique characteristic of the deferred plan is that it allows an elderly, fixed income individual to defer payment of property taxes until the property is sold or goes into an estate after the person's death.

Oregon has used the deferred plan in conjunction with an exemption plan. A retired person with under \$2,500 annual income can take advantage of the exemption and defer the non-exempt taxes. A qualified person with more than \$2,500 annual income can defer his entire tax bill as well until the property is sold or until it goes into an estate. The amount of taxes deferred does incur a 6 percent annual interest charge, however.

The deferment plan in its first year of use in Oregon was not widely used. Of the 15,246 persons using the available exemption,

only 170 applied for a deferment. There are additional disadvantages to the deferment plan in the area of administrative costs which will be discussed under that section of this report.

Following is a summary of the laws of the states pertaining to the methods of providing property tax relief to the elderly.

"CIRCUIT-BREAKER" SYSTEM STATES

Under the "circuit-breaker" plan, there is minimal administrative cost to local government as the administration of the program is handled at the state level as part of the overall administration of the state income tax.

WISCONSIN: The innovator of the circuit-breaker system of property tax relief was Wisconsin in 1963. The current Wisconsin law gives relief to any person over 65 who has been domiciled within the state during the entire calendar year in which relief is sought. The credit against income taxes is determined by using a sliding scale. If the household income of the claimant is less than \$1,000 in the year of the claim, the claim for property taxes or rents paid is limited to 75% of the amount in excess of 3% of the income earned over \$500 and under \$1,000. For incomes over \$1,000, the claim is limited to 60% of the excess over 3% of the income over \$500 and under \$1,000, 6% of the income over \$1,000 and under \$1,500, 9% of the income over \$1,500 and under \$2,000, 12% of the income over \$2,000 and under \$2,500 and 15% of the remainder over \$2,500 up to an income ceiling of \$3,700. If the amount of relief exceeds the income taxes due, the claimant will receive a refund from the general fund.

The most significant characteristic of the Wisconsin law is that the program is financed by state funds and is administered on the state level and it neither interferes with local assessment nor erodes any local property tax bases. (Please turn to Appendices A and B for examples and forms under current law.

NOTE: The Wisconsin Legislature has recently amended that state's circuit-breaker. The property tax relief granted persons 65 years of age or older through a system of income tax credits has been amended, applicable to claims filed in 1972 and thereafter and based on property taxes accrued or rent constituting property taxes accrued in 1971 and thereafter. The new law provides that if household income of the taxpayer is under \$1,000, the credit is now 75% of the amount of property taxes accrued, or rent constituting property taxes accrued, or both, for the year on the taxpayer's homestead. Formerly, the credit was limited to 75% of such taxes or rents in excess of 3% of household income over \$500 but not over \$1,000. The credit for taxpayers whose household income is over \$1,000 is 60% of the amount by which such taxes or rents on the homestead exceed

5% (formerly 3%) of household income over \$1,000 (formerly \$500) but not over \$1,500 (formerly \$1,000), 10% (formerly 6%) of income over \$1,500 (formerly \$1,000) but not over \$2,000 (formerly \$1,500), and 14% (formerly 15%) of income over \$2,000 (formerly \$2,500). Two intermediate brackets have been eliminated. If household income is over \$5,000 no relief is allowed.

If paid property taxes accrued or rent constituting property taxes accrued for any one year for any one household exceed \$500 (formerly \$330), the amount thereof is limited to \$500 (formerly \$330).

CALIFORNIA: Tax assistance is being provided for Californians over the age of 65. Assistance is based on the applicant's income. A percentage of the property taxes will be paid on the assessed valuation up to \$5,000. The assistance ranges from 95% of the tax on the first \$5,000 value if the income is under \$1,000, to 1% of the tax on the first \$5,000 value if the income is not over \$3,350. No assistance is available if annual income exceeds \$10,000 (\$20,000 for farmers) or if the assistance is less than \$5. No relief is provided for renters.

COLORADO: A different version of the circuit-breaker was set up by the 1971 Colorado Legislature. Under this system residents of the state over 65 years of age, not claimed by anyone else as an exemption for state income tax purposes, whose net assets amount to under \$20,000 and whose income is not more than \$2,400 (\$3,700 for married couples) are given a credit or refund under the income tax statute for property taxes or its rent equivalent paid. The refund or credit is limited to 50% of the tax or rent paid (10% of the rent paid is used as the tax equivalent) with the total credit or refund limited to \$200 which amount to be credited or refunded is then reduced by 10% of income over \$500 (\$1,800 for married couples). For example, a couple having \$3,200 income and paying \$400 in property taxes would receive a gross credit or refund amounting to \$200 which would then be reduced by 10% of their income over \$1,800 or \$140. So their actual refund or credit would amount to \$60.

IOWA: Chapter 1208 of the 1970 Iowa Laws provides that if an owner of a homestead is over 65 and his net income combined with other relatives living with him is under \$3,500 (\$4,000 effective January 1, 1972), an amount will be credited against the tax on the homestead equal to the difference between the current year's tax and the 1967 or 1968 tax whichever is lower, or the tax in the year the owner became 65 or in which the owner acquired the property whichever is the latest. The credit is paid to the taxing district from the homestead tax credit fund. Effective January 1, 1972 the homestead tax credit will be \$125, but not to exceed the property tax on the homestead.

KANSAS: The Kansas tax relief formula and income limitations are identical to those used in Wisconsin before the recent Wisconsin amendments. However, Kansas does not allow any circuit-breaker relief for

renters, whereas Wisconsin allows the elderly renter to consider 25% of his rent as going for property taxes. The Kansas act provides that a revolving fund, designated as "homestead property tax relief fund" not to exceed \$3,000,000 be set apart and maintained by the director of revenue from income tax collections, withholding tax collections, and estimated tax collections and held by the state treasurer for the prompt payment of all refunds.

MAINE: Until repealed by the 1971 Legislature, a head of household aged 65 or older (62 or older for women) could apply for a waiver of any increase in taxation on single family dwellings if the income of the head of the household and his spouse did not exceed \$4,000 for the preceding calendar year. Application was made to the local assessor. Under the new system effective September 23, 1971 elderly homeowners and renters will receive state grants with household incomes under \$4,000 and net assets under \$30,000. A claimant will be entitled to 7% of the difference between his household income and \$4,000. In no case can the rebate exceed the total property tax levied on the homestead or 20% of the rent paid. For example, if a claimant had an income of \$2,400 he would receive a grant of 7% of \$1,600 or \$112. However, if his property tax bill were only \$95, his grant would only be in the amount of \$95.

MINNESOTA: Minnesota also follows the circuit-breaker plan. If a resident is 65 or older and owns his own home or rents, he may claim a credit against state income tax paid. The credit is based on income earned and property taxes paid. Rent constituting real property taxes accrued means 20% of the gross rent actually paid in cash or its equivalent in the year for which credit is claimed. If the claimant's income is between \$0 and \$400 he is allowed a credit equal to 75% of his real property tax; between \$500 and \$999 the credit is 70% of his property tax; \$1,000 to \$1,499 is 50%; \$1,500 to \$1,999 is 40%; \$2,000 to \$2,499 is 30%; \$2,500 to \$2,999 is 20%; and \$3,000 through \$3,499 is 10%. Money is appropriated from the general fund in the necessary amounts to pay the claims filed.

NOTE: The Minnesota Legislature in its recently enacted 1971 Tax Reform and Relief Act increased the maximum income limits from \$3,500 to \$5,000 and the maximum property tax against which the credit may be figured has been increased from \$600 to \$800. The new provisions were made retroactive to any taxable year beginning after December 31, 1970. The tax credit or claim may not exceed the amount of property tax accrued. The new law includes quite a lengthy table for figuring the amount of the senior citizens tax credit.

PENNSYLVANIA: Persons aged 65 or older are entitled to tax assistance against real property taxes due on their homesteads. The assistance ranges from 100% of realty taxes if the claimant's annual income is under \$1,000, to 10% if the income is between \$6,000 and \$7,499. The minimum amount of assistance is \$10 and the maximum assistance allowed is \$200.

VERMONT: Vermont began the circuit-breaker system in January, 1970. It applies to residents who are 65 years of age and older. These citizens are given a credit against their state income tax liability equal to the amount by which property taxes, or rent constituting property taxes, exceeds 7% of the individual's total household income for that taxable year multiplied by the local tax rate factor that varies by the tax rate of the local community. The inclusion of the part of rent constituting property taxes is designed to aid those who do not own their homestead and thereby includes many poor people not eligible for tax relief under an ownership-exemption system. The credit may not exceed the amount of the property tax. However, if the taxpayer's income tax liability is less than the amount of the credit, the difference between the liability and the credit will be refunded to the taxpayer.

The credit granted for property taxes is subject to the following limitations: (1) only one individual per household per taxable year is entitled to the credit; and (2) the credit for property taxes or rent constituting property taxes cannot exceed \$300.

Rent constituting property taxes is defined to mean 20% (30% effective January 1, 1972) of the gross rent actually paid during the taxable year by the individual or members of his household for the right of occupancy.

Under present Vermont law, each municipality appraises all real and personal property within the municipality at its fair market value. The tax rate is then established by the municipality at a level sufficient to meet local revenue needs.

HOMESTEAD SYSTEMS

ALABAMA: Alabama has provided for a plan of exemptions of homesteads up to \$5,000 assessed value for residents over 65 years of age.

CONNECTICUT: Persons 65 or over may have their property tax frozen if (1) federal adjusted gross income is \$3,000 or less if single or \$5,000 or less if married, and (2) the taxpayer has owned and occupied property as a home in Connecticut for at least five years prior to the filing date.

DELAWARE: A tax concession of up to \$5,000 of the assessed value of residential property of persons 65 and over is allowed provided the annual income of the taxpayer or his spouse is not over \$3,000 and they have owned and occupied the property for three years. The exemption is also allowed on owner-occupied mobile homes.

FLORIDA: In Chapter 309 of the Laws of 1971, Florida provided homestead exemptions of \$5,000 (applicable to all assessments except for special benefits). For those age 65 and over, an exemption of \$10,000 against taxes for current school operating expenses is allowed.

Another provision in the Florida law requires the 65 and older persons to have been permanent residents of Florida for five years prior to the claiming of the exemption.

GEORGIA: Homesteads of persons 65 or older may be exempt from real property tax to the amount of \$4,000 assessed valuation if owned and occupied as their residence and if their net income, together with that of their spouse, does not exceed \$4,000 for the preceding year.

HAWAII: In Hawaii, property owned and occupied as a home or an apartment in a multi-unit apartment building is totally exempt if its value is not over \$8,000 and if the value exceeds \$8,000, the property is exempt in the amount of \$8,000. The exemption is revoked if the home is not occupied by the owner during the first three months of the tax year. Persons aged 60 and over, based solely on age, use a multiple of 2.0 in computing the exemption. Persons over age 70 use a multiple of 2.5 in determining their exemption. In other words, a person over 70 years of age has an exemption of \$20,000 on his dwelling.

IDAHO: Any person aged 65 or over with annual income of less than \$4,800 who has been a real property taxpayer for ten years and who is presently located on realty owned or leased by him, is allowed an exemption if the property does not exceed \$15,000 in value. The maximum amount of any exemption is \$75.

ILLINOIS: An Illinois act, 1971 Public Law 77-266, allows a homestead exemption limited to a \$1,500 maximum reduction from the equalized or assessed value. The claimant must be 65 or older and must be liable for the real property taxes on the property, and own and occupy the property.

INDIANA: The Indiana property tax exemption has fewer of the complications which other states have built into their exemption procedures. It was the first state to make general use of this type of exemption, beginning in 1957. Indiana offers a deduction of \$1,000 from assessed value and requires a stringent means test. Under amendments enacted by the 1971 Indiana Legislature, total annual income of the claimant and spouse has been limited to \$6,000 and the value of the homestead must be under \$6,500. The exemption is statewide and available to residents over 65 who have been in possession of their homestead at least one year and who actually live on the property. The exemption is administered by the county auditors using procedures and forms supplied by the State Board of Tax Commissioners.

The effect of the exemption has been to remove from the tax base more than \$61 million in assessed valuation which amounts to 0.9% of the total net assessed valuation in the state. Interpolating on the basis of the current tax levy, the tax revenue loss in 1964 would have been about \$4 million.

KENTUCKY: On November 2, 1971 the voters of Kentucky, according to unofficial results, voted to amend the state constitution to provide a homestead exemption up to a maximum amount of \$6,500. The homestead (a single-unit residential property maintained by the owner) must be the personal residence of a person 65 years of age or older.

MARYLAND: In Maryland, a mandatory minimum real property tax credit is provided for owner-occupied dwellings of persons 65 or over if the gross income, excluding social security benefits and railroad retirement act benefits, is \$5,000 or less. The credit is equal to 50% of the full cash value or \$4,000, whichever is less, multiplied by the local tax rate.

MASSACHUSETTS: A homestead exemption of \$2,000 is available to persons over 70 years of age who have owned and occupied the premises for at least ten years. A real property exemption of \$4,000 or the sum of \$350 of actual taxes due (whichever is greater), is available to persons 70 years or older who have lived in Massachusetts the preceding ten years, owned and occupied real estate in the state for five years and have an income of less than \$6,000 if single, or \$7,000 if married. Another limitation is that \$30,000 (will be \$40,000 for taxes levied for 1972 and thereafter) assessed value is the maximum amount of whole estate (real and personal) which a qualified single claimant can own. If married, the limitation is \$35,000 (will be \$45,000 for taxes levied for 1972 and thereafter).

MICHIGAN: The homestead of a person of the age of 65 or over, who has been a resident of Michigan for at least five out of the last ten years and whose gross income combined with the gross income of his spouse is not more than \$6,000, is exempt from taxation to the amount of \$2,500 of state equalized valuation. The state treasurer is required to draw a warrant upon the state treasury for the total amount of tax revenues lost by any local taxing unit as a result of the homestead taxation exemption and is required to forward such warrants to the local government units.

The state budget director annually estimates the amount of money necessary to meet the expense of administering the provisions of the act, and such expense is met by a specific appropriation included in the budget. This act has some of the characteristics of the circuit-breaker approach since the state does reimburse the local governments for their revenue loss. The act is also careful to exclude high income elderly residents to insure that the assistance goes only to those who are generally felt to need it most.

NEW HAMPSHIRE: An exemption of up to \$5,000 full and true value is available to qualified persons age 70 or older. Such person cannot have net assets over \$25,000 and net income from all sources must be less than \$4,000 (if married, \$5,000).

NEW JERSEY: Homeowners aged 65 and older with an annual income, exclusive of social security benefits, of under \$5,000 are granted a

deduction of up to \$160 from their property tax bill but the deduction cannot exceed their actual tax liability. In other words if an eligible person owes only \$145 in property taxes, that will be the amount of his deduction. The state reimburses localities for one half of the cost of the deduction.

NEW YORK: State law provides that real property of persons over 65 may be exempt from taxation by a municipality to the extent of 50% of assessed value, provided the governing board of the municipality, after public hearing, adopts a local law to provide therefor. Income of such persons must not exceed \$3,000 or \$5,000 if so provided by the local law. The property must also be occupied by the individual and have been owned by him for at least five years. New York City would appear to be the only municipality which has enacted such a local law (in 1969).

NORTH CAROLINA: North Carolina enacted a new law effective January 1, 1972 which gives retired elderly persons with less than \$3,500 disposable income, an exemption of \$5,000 on the appraised value of real property used as a principal residence.

NORTH DAKOTA: North Dakota Statute 57-02-08.1 provides that any person 65 years of age or older with an income of \$3,000 per annum or less will receive a 50% reduction in the assessment up to a maximum reduction of \$1,000 of assessed valuation of his homestead.

OREGON: The Oregon Senior Citizen Homestead Exemption Law went into effect during the 1964-65 tax year giving partial or complete property tax relief to property owning citizens over 65 years of age. This law exempts from taxation a percentage of the first \$10,000 of the true cash value of the taxpayer's homestead, dependent on the age of the taxpayer (maximum exemption of \$10,000 true cash value at age 80), provided that the household income of the taxpayer was under \$3,000 for the preceding year. The age-determined variable exemption is unique to the Oregon exemption program. Presupposing a greater need the older the owner becomes, the homestead exemption is figured as an increasing percentage of the first \$10,000 of true cash value based on age brackets. Another unusual feature in the Oregon program is a provision allowing the deferment of the balance of the non-exempted tax until the time of sale or transfer of the property.

NOTE: Effective January 1, 1972 this exemption system has been repealed and will be replaced by a circuit-breaker. The new system will provide property tax relief generally rather than just for the elderly. Individuals will be entitled to relief to the extent by which their property tax exceeds a percentage of household income. The percentages range from 3% for incomes not exceeding \$1,500 (maximum relief, \$400) to 7% for income over \$8,000 (maximum relief, \$100). Persons over 80 years of age and incomes under \$3,000 will be entitled to total relief from homestead property tax up to \$400.

RHODE ISLAND: Cities and towns may provide for the freezing of the rate and valuation of taxes for persons aged 65 or older with under \$4,000 total income. Single family dwellings in which the person resides qualify.

SOUTH CAROLINA: A law effective January 1, 1972 allows an exemption from county, school and special assessment real estate taxes. To qualify, the owner must have fee simple title to the property, must be age 65 or older, and must have been a resident for one year. The dwelling place and not more than one acre of land will be exempt to the amount of the first \$5,000 of fair market value.

VIRGINIA: The 1971 Legislative Session enacted a law to allow counties, cities or towns to provide for exemption from or deferral of property taxes on homes owned and occupied by person over 65 years of age. Such persons must have an annual income under \$7,500 and under \$20,000 net worth, excluding the value of the home and lot.

WASHINGTON: Until repealed by the 1971 Legislature, the first \$50 of realty taxes on the homes of males over 65 years old or females over 62 years of age who meet income limitations (\$3,000 maximum) and residency requirements was exempt. In place of this the Legislature provided a system of property tax relief for homeowners over 62 years of age, which has some circuit-breaker characteristics. Persons meeting age and residency and having household income under \$4,000 will now be exempt from 100% of levies of additional taxes in excess of regular property tax levies. However, in the event that taxes due and payable for such an individual include no excess levies or the excess levies are less than \$50, the amount of the exemption will be \$50 and the difference will be applied against the regular property tax levies. For those otherwise eligible and with incomes between \$4,001 - \$6,000 an exemption is granted to the extent of 50% of the excess levies.

STATES HAVING HOMESTEAD EXEMPTIONS NOT LIMITED TO ONLY THE ELDERLY

Although the state of Mississippi does not have a real property tax relief measure aimed specifically at aiding only the elderly, it does allow a \$5,000 exemption on homesteads owned and actually occupied by bona fide residents of the state, who are heads of families.

Somewhat similarly, Nebraska allows an exemption of the first 25% of the value of homesteads having an actual value of under \$1,500 and the first 20% of the first \$4,000 of value of homesteads having an actual value of more than \$1,500.

In Louisiana all homesteads are exempt to a value of \$2,000. Oklahoma exempts homesteads to the extent of \$1,000 valuation. Homesteads up to the value of \$3,000 are exempt from county taxation in Texas.

ADMINISTRATIVE COSTS

As with any new program, administrative costs have a domineering effect on the feasibility of a plan. The following is a brief analysis of administrative costs of each of the three methods of property tax relief described in this study.

Whenever an exemption type of property tax relief is used, the local government is subject to local processing costs. These costs include the handling of applications, amendments to applications and the procuring and verifying of all supporting materials. The county government bears the burden of these costs. In Oregon, some of the larger counties presently spend \$5,000 to \$10,000 on the processing of the exemption applications. Another expense has occurred in Oregon because of the use of a sliding scale. Frequent checking has been necessary to determine whether a shift in positions on the scale has occurred.

Even after examining and realizing all the administration costs and duties which accompany such a plan, a California survey in 1966 indicated that in Indiana and Oregon (few states had tabulated expenses at that time), the administrative costs of the exemption system only amounted to one percent of the total cost of property tax collections. A survey in Washington showed that, under their current system, the average cost per claim is \$1.84. The county assessor's cost is \$.51 and the county treasurer's cost is \$1.33. The actual cost of administering the system depends upon the version adopted and the costs may be higher than these figures indicate.

The "purer" methods of "circuit-breaker" type tax relief leave most of the burden of administration to the state government. The costs are handled as part of the administrative costs of the state income tax system. The county assessor and treasurer are relieved of many administrative responsibilities. According to an October, 1970 paper by John Shannon, Advisory Commission on Intergovernmental Relation, the Wisconsin Income Tax Department audits claims and provides compensation to each eligible beneficiary to the extent his property tax payment is deemed "extraordinary" under the Wisconsin law. "The vast majority of applicants have such low income that they have no State income tax liability -- a 'negative' tax credit situation -- necessitating direct cash refund in about 98 percent of the cases."

The deferral system is administered on both a state and county basis. The local officials, however, handle the bulk of the additional workload. Under the deferral system, along with the items necessary under the exemption plan, the local officials must make a determination of the owner's equity, verify that adequate insurance is maintained on the residence, and secure a co-signature of mortgage holder when that person pays the taxes on the property concerned. The county treasurer must also keep a record of deferred payments, bill the state for the deferred amount, distribute state reimbursements back to the various

local taxing units, and reimburse the state general fund when deferred taxes are paid. In Washington, estimated costs if such a system were to be enacted were placed at \$5.39 per deferral claim with \$2.40 for the county treasurer and \$2.99 for the county assessor.

SUMMARY OF ELDERLY TAX RELIEF BILLS CONSIDERED IN

1971 SOUTH DAKOTA LEGISLATURE

Senate Bill No. 7 -- This bill as introduced would have provided for a real property tax exemption for elderly citizens, reimbursement to the counties, and an appropriation for the reimbursement. An exemption of \$1,000 on the assessed valuation of a single family dwelling was to be given to qualified elderly persons. In order to qualify, men over 65 and women over 62 prior to February 15th of the taxable year, would have to have either owned the real property for five years or have been a South Dakota resident for ten years. The dwelling could not have been occupied permanently by anyone who was not dependent upon the head of the household for support. The commissioner of revenue, through an annual appropriation, was to reimburse the counties for any revenue lost due to the exemption. A \$2,000,000 fiscal note was attached to this bill for a per capita cost of around \$3. S. B. 7 was amended and passed the Senate by a 34-0 vote. The Senate amendments set income eligibility limitations of taxable income of \$2,400 if single or \$4,000 if married and filing jointly, and removed the provision that the state annually reimburse the counties for revenue lost. The bill failed on the floor of the House of Representatives.

Senate Bill No. 217 -- This bill would have provided for a general exemption of \$500 for dwelling houses occupied and used as a home residence. The \$500 exemption would not have been applicable to all real estate, but only to the dwelling house. Another section of this bill provided for an additional \$2,000 exemption for men over 65 and women over 62, whose income was less than \$3,600. The bill also provided penalties for violators of the act. No fiscal note was attached to this bill, but the costs can be estimated. According to the 1970 census, there are 139,681 owner-occupied housing units in South Dakota. At a \$500 exemption per dwelling house, this comes to a \$69,840,500 reduction in property value in South Dakota. There are 28,586 citizens over 65 who are considered to be heads of households. A percentage of these elderly persons would receive the additional \$2,000 exemption. A substantial loss of local property valuation subject to taxation would have been incurred under this bill.

House Bill 849 -- This circuit-breaker type bill would have provided for a homestead tax relief credit or refund for the low and middle income elderly. In order to qualify, a claimant would have to be 65 or over (62 or over for women) and would have to have been domiciled in South Dakota during the entire calendar year preceding the year in which a claim was filed. The bill also allowed a renter to qualify for a credit as well as a property owner. In order to calculate an amount to

consider as property taxes for renters, a guideline of rent constituting property taxes as 20% of the gross rent paid during the year would have been established.

A claimant could have computed his credit or refund by using the following schedule:

<u>Household Income</u>	<u>% of Property Taxes</u>
\$ 0 - 999	70%
1000 - 1999	60%
2000 - 2999	50%
3000 - 3999	40%
4000 - 4999	30%
5000 - 5999	20%
6000 - 6999	10%

In any case where the property taxes paid or rent constituting property taxes paid exceeded \$300, the amount for the purposes of this bill would have been \$300.

The claim could have been used as a credit against South Dakota income taxes or if there were an excess of credit, the excess would be refunded to the taxpayer. The amount of any claim under this bill could have been applied against revenue claims owed prior to the current year.

According to the Summary of Tax Reform Proposals submitted by Governor Richard F. Kneip, the cost of this bill for fiscal year 1973 would have been \$4.5 million.

SOUTH DAKOTA CONSTITUTIONAL QUESTIONS

Section 2 of Article XI of the Constitution of the State of South Dakota provides in part as follows:

To the end that the burden of taxation may be equitable upon all property, and in order that no property which is made subject to taxation shall escape, the Legislature is empowered to divide all property including moneys and credits as well as physical property into classes and to determine what class or classes of property shall be subject to taxation and what property, if any, shall not be subject to taxation. Taxes shall be uniform on all property of the same class, and shall be levied and collected for public purposes only.

Sections 5 and 6 of Article XI specifically enumerate certain properties that are exempt from taxation including: government-owned property used for public purposes, schools, churches, cemeteries, property owned by charities or agricultural and horticultural societies and personal property to any amount not exceeding in value two hundred dollars for each individual liable to taxation.

Section 7 of Article XI of the South Dakota Constitution provides:

All laws exempting property from taxation other than that enumerated in §§ 5 and 6 of this article, shall be void.

It would seem that Section 7 would preclude any exemption from property taxation for elderly persons. The Supreme Court of South Dakota, however, held in State ex rel. Eveland v. Johns, 43 S.D. 279, 178 N.W. 945 (1920) that the 1918 amendment to Section 2 of Article XI authorizing the division of property into classes abrogated Section 7 of Article XI. The Supreme Court of South Dakota in Natl. College of Bus. v. Pennington County, 82 S.D. 391, 146 N.W.2d (1966), said:

In State Ex. rel. Eveland v. Johns, 43 S.D. 279, 178 N.W. 945; Dakota Lodge No. 1 v. Yankton County, 54 S.D. 402, 223 N.W. 330; Egan Independent Consolidated School District No. 1 v. Minnehaha County, 65 S.D. 32, 270 N.W. 527, 108 A.L.R. 572, this court held that such amendment was inconsistent with and abrogated the last provision in section 6 and all of 7. As a result of this constitutional change, the matter of classification and exemption from taxation was left to the legislature, subject of course, to reasonableness of classification and uniformity within the class. Under this authority it could determine the class or classes of property to be exempted and such power is in no way limited by Sec. 6, Art. XI.

In 1958, as provided in Chapter 301 of the Session Laws of 1957, an amendment to Article XI, Section 6, was presented to the electorate and the amendment was adopted. The amendment read as follows:

The Legislature shall, by general law, exempt from taxation, property used exclusively for agricultural and horticultural societies, for school, religious, cemetery and charitable purposes, property acquired and used exclusively for public highway purposes, and personal property to any amount not exceeding in value two hundred dollars for each individual liable to taxation.

A question immediately arose as to its effect on Article XI, Section 2. In Natl. College of Bus. v. Pennington Co., 82 S.D. 391, 146 N.W.2d 731 (1966), the Supreme Court of South Dakota in regard to the effect of the 1958 amendment to Section 6 of Article XI, held:

Its language added to Section 6 the provision concerning land used for public highway purposes, but it did not reinstate Section 7 which this court had held was repealed by the 1918 amendment.

The Supreme Court of South Dakota continued:

In our view this amendment does not diminish the powers bestowed on the legislature in Art. XI, Section 2 to determine "what class or classes of property shall be subject to taxation" because it is not a self-executing provision.

After consideration is given to the repeal by implication of Section 7 of Article XI, the Legislature has authority to classify and exempt property for the purposes of taxation. The same conclusion has been expressed in Attorney General's Opinion 69-73 issued by Attorney General Gordon Mydland on August 23, 1969 in reply to a question on tax exempt properties:

It is my opinion then, that except for the absolute exemptions from taxation granted by our constitution to the government and political subdivisions themselves, the Legislature, under Article XI, Section 2, has complete authority to classify property for purposes of taxation and to determine the taxability or exemption of the same.

These exemptions from taxation must be based on certain criteria according to the South Dakota Supreme Court in State ex rel. Eveland v. Erickson, 44 S.D. 63, 182 N.W. 315, 13 A.L.R. 1189 (1921); C. A. Wagner Const. Co. v. City of Sioux Falls, 71 S.D. 587, 27 N.W.2d 916, (1946); and Natl. College of Bus. v. Pennington Co., 82 S.D. 391, 146 N.W. 2d 731 (1966). The criteria is:

Exemption from taxation is based upon considerations of public policy and is given a reasonable, natural and practical construction to effectuate the purpose for which it is created.

The case of Schmitt v. Nord, 71 S.D. 575, 27 N.W. 910 (1946), described the test of reasonableness of classification for taxation purposes to be the same under both state and federal constitutions and the questions to be asked are whether such classification is reasonable and whether it bears a reasonable relation to the subject at hand. The recent decision of In re Chicago and Northwestern Railway Co. of June 16, 1971, by the South Dakota Supreme Court, clarified the problem of classification further by requiring that all property may be assumed to be in the same class unless it is otherwise specifically labeled by law.

The circuit-breaker concept of granting a tax credit, usually applied against a person's tax liability under the state income tax law, or in the form of a tax rebate payable from state general funds, would in essence offer tax relief to elderly persons of limited income through the form of a state subsidy. In other words, local governments would continue to receive property taxes from the elderly people, with

the state bearing any burden of reduced revenues resulting from the application of the circuit-breaker concept. There would appear to be no constitutional prohibition in South Dakota against the Legislature's authorizing a form of income tax credit for property taxes paid by elderly persons of limited income, so long as the credit would apply to all persons within a general class of taxpayers.

CONCLUSION ON CONSTITUTIONAL QUESTIONS

Either major type of property tax relief may possibly be permissible under the Constitution of the State of South Dakota. The Legislature has been granted the power to classify property for tax purposes. The problem which arises is whether property can be considered to be in different classifications if every aspect of the property is identical except that the ownership of one tract is by a retired elderly person with a fixed income and the ownership of the other tract is by a working, middle-aged person with a high income. Article XI, Section 2, does require that "Taxes shall be uniform on all property of the same class ..." If a classification cannot be formulated to satisfy South Dakota constitutional requirements, the exemption method would surely fail and the circuit-breaker method might possibly fail. Of course, the only way these matters can really be settled would be for legislative enactment of a bill to grant property tax relief to the elderly and then if the legislation were constitutionally challenged, by having the question decided in the South Dakota courts.

APPENDIX A

The purpose of Appendix A is to present examples of the computations involved in the use of the Wisconsin "circuit-breaker" system as summarized on pages 4 and 5 of this report. The tables prepared by the Wisconsin Department of Revenue for the computations are found in Appendix B.

Example I. John Doe is a qualified person under the Wisconsin Act and has income of \$750 per year and property taxes of \$45 per year. His tax relief is computed as follows:

Turn to page 2 of Appendix B. The first step is to follow down on the left hand column until finding \$45. The left hand column indicates property taxes paid.

The second step is to move to the right on the \$45 line until coming to the third column under the household income section. This section applies to those with household incomes of more than \$725 and less than \$875.

The homestead tax relief credit for John Doe is \$28.90 having followed the \$725-875 column down and the \$45-50 column across.

Example II. Mary Smith is also a qualified person under the Wisconsin Act and has income of \$3,325 and property tax of \$276. Her tax relief is computed as follows:

Turn to page 4 of Appendix B. In table IV, follow the left hand column down to taxes of \$276. The proper line is \$275-280.

The next step is to go to the income columns and find the proper column for \$3325 income. The proper column is \$3300-3340.

By following the \$275-280 taxes column across and the \$3300-3340 income column down, a homestead relief credit of \$2.70 is noted.

1970 WISCONSIN HOMESTEAD RELIEF FORMS

A MESSAGE TO WISCONSIN TAXPAYERS

This booklet contains your 1970 homestead relief claim forms, instructions and homestead relief tables which may be used in computing the amount of your claim. It does not include income tax forms which you may also need.

If you received your homestead relief claim forms through our regular mailout, you will find a two-part label containing your name, address, and social security number on the return form. Use of this pre-addressed form will expedite the processing of your claim. If the form becomes unusable, please remove the top label and attach it to the claim that you file. Should someone else prepare your claim, ask him to use the pre-addressed form or label. Print or type any corrections to the information on the label directly above or below the error.

If you are required to file a Wisconsin income tax return, your homestead relief claim, Schedule H, must be attached to that return. However, if you are not required to file a Wisconsin income tax return you can file Schedule H without attaching it to a Wisconsin return.

Wisconsin taxable income is based on federal taxable income so most people are required to attach a copy of their federal return to their Wisconsin return. If you are not required to file a federal return with the federal government, you may itemize your income on a schedule and attach this to your Wisconsin return instead of completing the federal form.

A "Certification of Rent Paid" form has been placed on the lower portion of this page for the convenience of those of you who are filing your claim on the basis of rent that you pay for your homestead. This form must be completed by your landlord before your claim can be computed.

To avoid unnecessary correspondence and delays in processing your claim, please:

- ▶ **USE THE PRE-ADDRESSED FORM:**
If you do not have our mailing label, be sure to enter your name, address and social security number.
- ▶ **FILL OUT THE FORM COMPLETELY:**
Fill out each item on the form which applies to you.
- ▶ **ATTACH YOUR TAX BILL AND/OR RENT CERTIFICATE**
- ▶ **BE SURE TO SIGN YOUR CLAIM**
- ▶ **FILE EARLY**

If you need answers to any income tax or homestead relief questions, be sure to contact your nearest income tax office.

James R. Morgan

James R. Morgan
Secretary of Revenue

I-116

Cut along this Line

Form 1017 ATTACH TO SCHEDULE H		CERTIFICATION OF RENT PAID FOR HOMESTEAD RELIEF CREDIT		WISCONSIN DEPARTMENT OF REVENUE	
PLEASE PRINT	NAME OF CLAIMANT		Social Security Number	Amount of Rent Per Month \$	
	Last Name	First Name and Initial		Number of Months of Rental	
	NAME OF LANDLORD		Relationship to Landlord	Number of Rooms Rented	
	Last Name	First Name and Initial		Number of Occupants	
			LANDLORD'S HOME ADDRESS		
(A) Total Rent Paid For Year		(B) Rental Value Of Furnishings	(C) Value of Utilities Furnished	(D) Value Of Other Furnished Items	(E) Rent Paid For Occupancy Only
\$		\$	\$	\$	\$
(Block A Less B, C and D)					
I, the undersigned, do hereby certify that the above information concerning rent paid to me by the above named claimant for and during the year 19... is true, correct and complete to the best of my knowledge and belief.					
(Date)			(Signature of Landlord or Authorized Representative)		

1970 HOMESTEAD RELIEF TABLE I (For household incomes up to \$1695)

Page 2

If your TAXES and/or RENT (line 13 on Sch. H)		and your TOTAL HOUSEHOLD INCOME (line 10 on Schedule H) was:											
AT LEAST		\$ 0	\$ 575	\$ 725	\$ 875	\$ 1000.01	\$ 1100	\$ 1200	\$ 1300	\$ 1400	\$ 1500	\$ 1565	\$ 1630
were at least	but less than	BUT LESS THAN	\$ 575	\$ 725	\$ 875	\$ 1000.01	\$ 1100	\$ 1200	\$ 1300	\$ 1400	\$ 1500	\$ 1565	\$ 1630
		your HOMESTEAD RELIEF CREDIT IS:											
\$ 0	\$ 4	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
4	8	3.90	1.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
8	12	7.50	4.10	.70	.00	.00	.00	.00	.00	.00	.00	.00	.00
12	16	10.50	7.10	3.70	.70	.00	.00	.00	.00	.00	.00	.00	.00
16	20	13.50	10.10	6.70	3.70	.00	.00	.00	.00	.00	.00	.00	.00
20	25	16.90	13.50	10.10	7.00	2.70	.00	.00	.00	.00	.00	.00	.00
25	30	20.60	17.20	13.90	10.80	5.70	2.10	.00	.00	.00	.00	.00	.00
30	35	24.40	21.00	17.60	14.50	8.70	5.10	1.50	.00	.00	.00	.00	.00
35	40	28.10	24.70	21.40	18.30	11.70	8.10	4.50	.90	.00	.00	.00	.00
40	45	31.90	28.50	25.10	22.00	14.70	11.10	7.50	3.90	.30	.00	.00	.00
45	50	35.60	32.20	28.90	25.80	17.70	14.10	10.50	6.90	3.30	.00	.00	.00
50	55	39.40	36.00	32.60	29.50	20.70	17.10	13.50	9.90	6.30	2.70	.00	.00
55	60	43.10	39.70	36.40	33.30	23.70	20.10	16.50	12.90	9.30	5.70	2.20	.00
60	65	46.90	43.50	40.10	37.00	26.70	23.10	19.50	15.90	12.30	8.70	5.20	1.70
65	70	50.60	47.20	43.90	40.80	29.70	26.10	22.50	18.90	15.30	11.70	8.20	4.70
70	75	54.40	51.00	47.60	44.50	32.70	29.10	25.50	21.90	18.30	14.70	11.20	7.70
75	80	58.10	54.70	51.40	48.30	35.70	32.10	28.50	24.90	21.30	17.70	14.20	10.70
80	85	61.90	58.50	55.10	52.00	38.70	35.10	31.50	27.90	24.30	20.70	17.20	13.70
85	90	65.60	62.20	58.90	55.80	41.70	38.10	34.50	30.90	27.30	23.70	20.20	16.70
90	95	69.40	66.00	62.60	59.50	44.70	41.10	37.50	33.90	30.30	26.70	23.20	19.70
95	100	73.10	69.70	66.40	63.30	47.70	44.10	40.50	36.90	33.30	29.70	26.20	22.70
100	105	76.90	73.50	70.10	67.00	50.70	47.10	43.50	39.90	36.30	32.70	29.20	25.70
105	110	80.60	77.20	73.90	70.80	53.70	50.10	46.50	42.90	39.30	35.70	32.20	28.70
110	115	84.40	81.00	77.60	74.50	56.70	53.10	49.50	45.90	42.30	38.70	35.20	31.70
115	120	88.10	84.70	81.40	78.30	59.70	56.10	52.50	48.90	45.30	41.70	38.20	34.70
120	125	91.90	88.50	85.10	82.00	62.70	59.10	55.50	51.90	48.30	44.70	41.20	37.70
125	130	95.60	92.20	88.90	85.80	65.70	62.10	58.50	54.90	51.30	47.70	44.20	40.70
130	135	99.40	96.00	92.60	89.50	68.70	65.10	61.50	57.90	54.30	50.70	47.20	43.70
135	140	103.10	99.70	96.40	93.30	71.70	68.10	64.50	60.90	57.30	53.70	50.20	46.70
140	145	106.90	103.50	100.10	97.00	74.70	71.10	67.50	63.90	60.30	56.70	53.20	49.70
145	150	110.60	107.20	103.90	100.80	77.70	74.10	70.50	66.90	63.30	59.70	56.20	52.70
150	155	114.40	111.00	107.60	104.50	80.70	77.10	73.50	69.90	66.30	62.70	59.20	55.70
155	160	118.10	114.70	111.40	108.30	83.70	80.10	76.50	72.90	69.30	65.70	62.20	58.70
160	165	121.90	118.50	115.10	112.00	86.70	83.10	79.50	75.90	72.30	68.70	65.20	61.70
165	170	125.60	122.20	118.90	115.80	89.70	86.10	82.50	78.90	75.30	71.70	68.20	64.70
170	175	129.40	126.00	122.60	119.50	92.70	89.10	85.50	81.90	78.30	74.70	71.20	67.70
175	180	133.10	129.70	126.40	123.30	95.70	92.10	88.50	84.90	81.30	77.70	74.20	70.70
180	185	136.90	133.50	130.10	127.00	98.70	95.10	91.50	87.90	84.30	80.70	77.20	73.70
185	190	140.60	137.20	133.90	130.80	101.70	98.10	94.50	90.90	87.30	83.70	80.20	76.70
190	195	144.40	141.00	137.60	134.50	104.70	101.10	97.50	93.90	90.30	86.70	83.20	79.70
195	200	148.10	144.70	141.40	138.30	107.70	104.10	100.50	96.90	93.30	89.70	86.20	82.70
200	205	151.90	148.50	145.10	142.00	110.70	107.10	103.50	99.90	96.30	92.70	89.20	85.70
205	210	155.60	152.20	148.90	145.80	113.70	110.10	106.50	102.90	99.30	95.70	92.20	88.70
210	215	159.40	156.00	152.60	149.50	116.70	113.10	109.50	105.90	102.30	98.70	95.20	91.70
215	220	163.10	159.70	156.40	153.30	119.70	116.10	112.50	108.90	105.30	101.70	98.20	94.70
220	225	166.90	163.50	160.10	157.00	122.70	119.10	115.50	111.90	108.30	104.70	101.20	97.70
225	230	170.60	167.20	163.90	160.80	125.70	122.10	118.50	114.90	111.30	107.70	104.20	100.70
230	235	174.40	171.00	167.60	164.50	128.70	125.10	121.50	117.90	114.30	110.70	107.20	103.70
235	240	178.10	174.70	171.40	168.30	131.70	128.10	124.50	120.90	117.30	113.70	110.20	106.70
240	245	181.90	178.50	175.10	172.00	134.70	131.10	127.50	123.90	120.30	116.70	113.20	109.70
245	250	185.60	182.20	178.90	175.80	137.70	134.10	130.50	126.90	123.30	119.70	116.20	112.70
250	255	189.40	186.00	182.60	179.50	140.70	137.10	133.50	129.90	126.30	122.70	119.20	115.70
255	260	193.10	189.70	186.40	183.30	143.70	140.10	136.50	132.90	129.30	125.70	122.20	118.70
260	265	196.90	193.50	190.10	187.00	146.70	143.10	139.50	135.90	132.30	128.70	125.20	121.70
265	270	200.60	197.20	193.90	190.80	149.70	146.10	142.50	138.90	135.30	131.70	128.20	124.70
270	275	204.40	201.00	197.60	194.50	152.70	149.10	145.50	141.90	138.30	134.70	131.20	127.70
275	280	208.10	204.70	201.40	198.30	155.70	152.10	148.50	144.90	141.30	137.70	134.20	130.70
280	285	211.90	208.50	205.10	202.00	158.70	155.10	151.50	147.90	144.30	140.70	137.20	133.70
285	290	215.60	212.20	208.90	205.80	161.70	158.10	154.50	150.90	147.30	143.70	140.20	136.70
290	295	219.40	216.00	212.60	209.50	164.70	161.10	157.50	153.90	150.30	146.70	143.20	139.70
295	300	223.10	219.70	216.40	213.30	167.70	164.10	160.50	156.90	153.30	149.70	146.20	142.70
300	305	226.90	223.50	220.10	217.00	170.70	167.10	163.50	159.90	156.30	152.70	149.20	145.70
305	310	230.60	227.20	223.90	220.80	173.70	170.10	166.50	162.90	159.30	155.70	152.20	148.70
310	315	234.40	231.00	227.60	224.50	176.70	173.10	169.50	165.90	162.30	158.70	155.20	151.70
315	320	238.10	234.70	231.40	228.30	179.70	176.10	172.50	168.90	165.30	161.70	158.20	154.70
320	325	241.90	238.50	235.10	232.00	182.70	179.10	175.50	171.90	168.30	164.70	161.20	157.70
325	end over	245.60	242.20	238.90	235.80	185.70	182.10	178.50	174.90	171.30	167.70	164.20	160.70

1970 HOMESTEAD RELIEF TABLE II (For household incomes from \$1695 to \$2500)

If your TAXES and/or RENT (line 13 on Sch. H)		and your TOTAL HOUSEHOLD INCOME (line 10 on Schedule H) was . . .														
were at least	but less than	AT LEAST														
		\$ 1695	\$ 1760	\$ 1820	\$ 1880	\$ 1940	\$ 2000	\$ 2050	\$ 2100	\$ 2150	\$ 2200	\$ 2250	\$ 2300	\$ 2350	\$ 2400	\$ 2450
		\$ 1760	\$ 1820	\$ 1880	\$ 1940	\$ 2000	\$ 2050	\$ 2100	\$ 2150	\$ 2200	\$ 2250	\$ 2300	\$ 2350	\$ 2400	\$ 2450	\$ 2500
your HOMESTEAD RELIEF CREDIT IS:																
\$ 0	\$ 65	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
65	70	1.20	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
70	75	4.20	.80	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
75	80	7.20	3.80	.60	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
80	85	10.20	6.80	3.60	.40	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
85	90	13.20	9.80	6.60	3.40	.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
90	95	16.20	12.80	9.60	6.40	3.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
95	100	19.20	15.80	12.60	9.40	6.10	2.70	.00	.00	.00	.00	.00	.00	.00	.00	.00
100	105	22.20	18.80	15.60	12.40	9.10	5.70	2.10	.00	.00	.00	.00	.00	.00	.00	.00
105	110	25.20	21.80	18.60	15.40	12.10	8.70	5.10	1.50	.00	.00	.00	.00	.00	.00	.00
110	115	28.20	24.80	21.60	18.40	15.10	11.70	8.10	4.50	.90	.00	.00	.00	.00	.00	.00
115	120	31.20	27.80	24.60	21.40	18.10	14.70	11.10	7.50	3.90	.30	.00	.00	.00	.00	.00
120	125	34.20	30.80	27.60	24.40	21.10	17.70	14.10	10.50	6.90	3.30	.00	.00	.00	.00	.00
125	130	37.20	33.80	30.60	27.40	24.10	20.70	17.10	13.50	9.90	6.30	2.70	.00	.00	.00	.00
130	135	40.20	36.80	33.60	30.40	27.10	23.70	20.10	16.50	12.90	9.30	5.70	2.10	.00	.00	.00
135	140	43.20	39.80	36.60	33.40	30.10	26.70	23.10	19.50	15.90	12.30	8.70	5.10	1.50	.00	.00
140	145	46.20	42.80	39.60	36.40	33.10	29.70	26.10	22.50	18.90	15.30	11.70	8.10	4.50	.90	.00
145	150	49.20	45.80	42.60	39.40	36.10	32.70	29.10	25.50	21.90	18.30	14.70	11.10	7.50	3.90	.30
150	155	52.20	48.80	45.60	42.40	39.10	35.70	32.10	28.50	24.90	21.30	17.70	14.10	10.50	6.90	3.30
155	160	55.20	51.80	48.60	45.40	42.10	38.70	35.10	31.50	27.90	24.30	20.70	17.10	13.50	9.90	6.30
160	165	58.20	54.80	51.60	48.40	45.10	41.70	38.10	34.50	30.90	27.30	23.70	20.10	16.50	12.90	9.30
165	170	61.20	57.80	54.60	51.40	48.10	44.70	41.10	37.50	33.90	30.30	26.70	23.10	19.50	15.90	12.30
170	175	64.20	60.80	57.60	54.40	51.10	47.70	44.10	40.50	36.90	33.30	29.70	26.10	22.50	18.90	15.30
175	180	67.20	63.80	60.60	57.40	54.10	50.70	47.10	43.50	39.90	36.30	32.70	29.10	25.50	21.90	13.30
180	185	70.20	66.80	63.60	60.40	57.10	53.70	50.10	46.50	42.90	39.30	35.70	32.10	28.50	24.90	21.30
185	190	73.20	69.80	66.60	63.40	60.10	56.70	53.10	49.50	45.90	42.30	38.70	35.10	31.50	27.90	24.30
190	195	76.20	72.80	69.60	66.40	63.10	59.70	56.10	52.50	48.90	45.30	41.70	38.10	34.50	30.90	27.30
195	200	79.20	75.80	72.60	69.40	66.10	62.70	59.10	55.50	51.90	48.30	44.70	41.10	37.50	33.90	30.30
200	205	82.20	78.80	75.60	72.40	69.10	65.70	62.10	58.50	54.90	51.30	47.70	44.10	40.50	36.90	33.30
205	210	85.20	81.80	78.60	75.40	72.10	68.70	65.10	61.50	57.90	54.30	50.70	47.10	43.50	39.90	36.30
210	215	88.20	84.80	81.60	78.40	75.10	71.70	68.10	64.50	60.90	57.30	53.70	50.10	46.50	42.90	39.30
215	220	91.20	87.80	84.60	81.40	78.10	74.70	71.10	67.50	63.90	60.30	56.70	53.10	49.50	45.90	42.30
220	225	94.20	90.80	87.60	84.40	81.10	77.70	74.10	70.50	66.90	63.30	59.70	56.10	52.50	48.90	45.30
225	230	97.20	93.80	90.60	87.40	84.10	80.70	77.10	73.50	69.90	66.30	62.70	59.10	55.50	51.90	48.30
230	235	100.20	96.80	93.60	90.40	87.10	83.70	80.10	76.50	72.90	69.30	65.70	62.10	58.50	54.90	51.30
235	240	103.20	99.80	96.60	93.40	90.10	86.70	83.10	79.50	75.90	72.30	68.70	65.10	61.50	57.90	54.30
240	245	106.20	102.80	99.60	96.40	93.10	89.70	86.10	82.50	78.90	75.30	71.70	68.10	64.50	60.90	57.30
245	250	109.20	105.80	102.60	99.40	96.10	92.70	89.10	85.50	81.90	78.30	74.70	71.10	67.50	63.90	60.30
250	255	112.20	108.80	105.60	102.40	99.10	95.70	92.10	88.50	84.90	81.30	77.70	74.10	70.50	66.90	63.30
255	260	115.20	111.80	108.60	105.40	102.10	98.70	95.10	91.50	87.90	84.30	80.70	77.10	73.50	69.90	66.30
260	265	118.20	114.80	111.60	108.40	105.10	101.70	98.10	94.50	90.90	87.30	83.70	80.10	76.50	72.90	69.30
265	270	121.20	117.80	114.60	111.40	108.10	104.70	101.10	97.50	93.90	90.30	86.70	83.10	79.50	75.90	72.30
270	275	124.20	120.80	117.60	114.40	111.10	107.70	104.10	100.50	96.90	93.30	89.70	86.10	82.50	78.90	75.30
275	280	127.20	123.80	120.60	117.40	114.10	110.70	107.10	103.50	99.90	96.30	92.70	89.10	85.50	81.90	78.30
280	285	130.20	126.80	123.60	120.40	117.10	113.70	110.10	106.50	102.90	99.30	95.70	92.10	88.50	84.90	81.30
285	290	133.20	129.80	126.60	123.40	120.10	116.70	113.10	109.50	105.90	102.30	98.70	95.10	91.50	87.90	84.30
290	295	136.20	132.80	129.60	126.40	123.10	119.70	116.10	112.50	108.90	105.30	101.70	98.10	94.50	90.90	87.30
295	300	139.20	135.80	132.60	129.40	126.10	122.70	119.10	115.50	111.90	108.30	104.70	101.10	97.50	93.90	90.30
300	305	142.20	138.80	135.60	132.40	129.10	125.70	122.10	118.50	114.90	111.30	107.70	104.10	100.50	96.90	93.30
305	310	145.20	141.80	138.60	135.40	132.10	128.70	125.10	121.50	117.90	114.30	110.70	107.10	103.50	99.90	96.30
310	315	148.20	144.80	141.60	138.40	135.10	131.70	128.10	124.50	120.90	117.30	113.70	110.10	106.50	102.90	99.30
315	320	151.20	147.80	144.60	141.40	138.10	134.70	131.10	127.50	123.90	120.30	116.70	113.10	109.50	105.90	102.30
320	325	154.20	150.80	147.60	144.40	141.10	137.70	134.10	130.50	126.90	123.30	119.70	116.10	112.50	108.90	105.30
325	and over	157.20	153.80	150.60	147.40	144.10	140.70	137.10	133.50	129.90	126.30	122.70	119.10	115.50	111.90	108.30

1970 HOMESTEAD RELIEF TABLE III (For household incomes from \$2000 to \$3100)

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If your TAXES and/or RENT (line 13 on Sch. H)		and your TOTAL HOUSEHOLD INCOME (line 10 on Schedule H) was . . . AT LEAST														
were at least	but less than	\$ 2500	\$ 2540	\$ 2580	\$ 2620	\$ 2660	\$ 2700	\$ 2740	\$ 2780	\$ 2820	\$ 2860	\$ 2900	\$ 2940	\$ 2980	\$ 3020	\$ 3060
		BUT LESS THAN \$ 2540	\$ 2580	\$ 2620	\$ 2660	\$ 2700	\$ 2740	\$ 2780	\$ 2820	\$ 2860	\$ 2900	\$ 2940	\$ 2980	\$ 3020	\$ 3060	\$ 3100
		your HOMESTEAD RELIEF CREDIT IS:														
\$ 0	\$155	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
155	160	2.70	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
160	165	5.70	2.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
165	170	8.70	5.10	1.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
170	175	11.70	8.10	4.50	.90	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
175	180	14.70	11.10	7.50	3.90	.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
180	185	17.70	14.10	10.50	6.90	3.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
185	190	20.70	17.10	13.50	9.90	6.30	2.70	.00	.00	.00	.00	.00	.00	.00	.00	.00
190	195	23.70	20.10	16.50	12.90	9.30	5.70	2.10	.00	.00	.00	.00	.00	.00	.00	.00
195	200	26.70	23.10	19.50	15.90	12.30	8.70	5.10	1.50	.00	.00	.00	.00	.00	.00	.00
200	205	29.70	26.10	22.50	18.90	15.30	11.70	8.10	4.50	.90	.00	.00	.00	.00	.00	.00
205	210	32.70	29.10	25.50	21.90	18.30	14.70	11.10	7.50	3.90	.30	.00	.00	.00	.00	.00
210	215	35.70	32.10	28.50	24.90	21.30	17.70	14.10	10.50	6.90	3.30	.00	.00	.00	.00	.00
215	220	38.70	35.10	31.50	27.90	24.30	20.70	17.10	13.50	9.90	6.30	2.70	.00	.00	.00	.00
220	225	41.70	38.10	34.50	30.90	27.30	23.70	20.10	16.50	12.90	9.30	5.70	2.10	.00	.00	.00
225	230	44.70	41.10	37.50	33.90	30.30	26.70	23.10	19.50	15.90	12.30	8.70	5.10	1.50	.00	.00
230	235	47.70	44.10	40.50	36.90	33.30	29.70	26.10	22.50	18.90	15.30	11.70	8.10	4.50	.90	.00
235	240	50.70	47.10	43.50	39.90	36.30	32.70	29.10	25.50	21.90	18.30	14.70	11.10	7.50	3.90	.00
240	245	53.70	50.10	46.50	42.90	39.30	35.70	32.10	28.50	24.90	21.30	17.70	14.10	10.50	6.90	3.30
245	250	56.70	53.10	49.50	45.90	42.30	38.70	35.10	31.50	27.90	24.30	20.70	17.10	13.50	9.90	6.30
250	255	59.70	56.10	52.50	48.90	45.30	41.70	38.10	34.50	30.90	27.30	23.70	20.10	16.50	12.90	9.30
255	260	62.70	59.10	55.50	51.90	48.30	44.70	41.10	37.50	33.90	30.30	26.70	23.10	19.50	15.90	12.30
260	265	65.70	62.10	58.50	54.90	51.30	47.70	44.10	40.50	36.90	33.30	29.70	26.10	22.50	18.90	15.30
265	270	68.70	65.10	61.50	57.90	54.30	50.70	47.10	43.50	39.90	36.30	32.70	29.10	25.50	21.90	18.30
270	275	71.70	68.10	64.50	60.90	57.30	53.70	50.10	46.50	42.90	39.30	35.70	32.10	28.50	24.90	21.30
275	280	74.70	71.10	67.50	63.90	60.30	56.70	53.10	49.50	45.90	42.30	38.70	35.10	31.50	27.90	24.30
280	285	77.70	74.10	70.50	66.90	63.30	59.70	56.10	52.50	48.90	45.30	41.70	38.10	34.50	30.90	27.30
285	290	80.70	77.10	73.50	69.90	66.30	62.70	59.10	55.50	51.90	48.30	44.70	41.10	37.50	33.90	30.30
290	295	83.70	80.10	76.50	72.90	69.30	65.70	62.10	58.50	54.90	51.30	47.70	44.10	40.50	36.90	33.30
295	300	86.70	83.10	79.50	75.90	72.30	68.70	65.10	61.50	57.90	54.30	50.70	47.10	43.50	39.90	36.30
300	305	89.70	86.10	82.50	78.90	75.30	71.70	68.10	64.50	60.90	57.30	53.70	50.10	46.50	42.90	39.30
305	310	92.70	89.10	85.50	81.90	78.30	74.70	71.10	67.50	63.90	60.30	56.70	53.10	49.50	45.90	42.30
310	315	95.70	92.10	88.50	84.90	81.30	77.70	74.10	70.50	66.90	63.30	59.70	56.10	52.50	48.90	45.30
315	320	98.70	95.10	91.50	87.90	84.30	80.70	77.10	73.50	69.90	66.30	62.70	59.10	55.50	51.90	48.30
320	325	101.70	98.10	94.50	90.90	87.30	83.70	80.10	76.50	72.90	69.30	65.70	62.10	58.50	54.90	51.30
325 and over		104.70	101.10	97.50	93.90	90.30	86.70	83.10	79.50	75.90	72.30	68.70	65.10	61.50	57.90	54.30

1970 HOMESTEAD RELIEF TABLE IV (For household incomes from \$3100 to \$3700)

If your TAXES and/or RENT (line 13 on Sch. H)		and your TOTAL HOUSEHOLD INCOME (line 10 on Schedule H) was . . .															
were at least	but less than	AT LEAST	\$ 3100	\$ 3140	\$ 3180	\$ 3220	\$ 3260	\$ 3300	\$ 3340	\$ 3380	\$ 3420	\$ 3460	\$ 3500	\$ 3540	\$ 3580	\$ 3620	\$ 3660
		BUT LESS THAN	\$ 3140	\$ 3180	\$ 3220	\$ 3260	\$ 3300	\$ 3340	\$ 3380	\$ 3420	\$ 3460	\$ 3500	\$ 3540	\$ 3580	\$ 3620	\$ 3660	\$ 3700
		your HOMESTEAD RELIEF CREDIT IS:															
\$ 0	\$245	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
245	250	2.70	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
250	255	5.70	2.10	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
255	260	8.70	5.10	1.50	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
260	265	11.70	8.10	4.50	.90	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
265	270	14.70	11.10	7.50	3.90	.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
270	275	17.70	14.10	10.50	6.90	3.30	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
275	280	20.70	17.10	13.50	9.90	6.30	2.70	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
280	285	23.70	20.10	16.50	12.90	9.30	5.70	2.10	.00	.00	.00	.00	.00	.00	.00	.00	.00
285	290	26.70	23.10	19.50	15.90	12.30	8.70	5.10	1.50	.00	.00	.00	.00	.00	.00	.00	.00
290	295	29.70	26.10	22.50	18.90	15.30	11.70	8.10	4.50	.90	.00	.00	.00	.00	.00	.00	.00
295	300	32.70	29.10	25.50	21.90	18.30	14.70	11.10	7.50	3.90	.30	.00	.00	.00	.00	.00	.00
300	305	35.70	32.10	28.50	24.90	21.30	17.70	14.10	10.50	6.90	3.30	.00	.00	.00	.00	.00	.00
305	310	38.70	35.10	31.50	27.90	24.30	20.70	17.10	13.50	9.90	6.30	2.70	.00	.00	.00	.00	.00
310	315	41.70	38.10	34.50	30.90	27.30	23.70	20.10	16.50	12.90	9.30	5.70	2.10	.00	.00	.00	.00
315	320	44.70	41.10	37.50	33.90	30.30	26.70	23.10	19.50	15.90	12.30	8.70	5.10	1.50	.00	.00	.00
320	325	47.70	44.10	40.50	36.90	33.30	29.70	26.10	22.50	18.90	15.30	11.70	8.10	4.50	.90	.00	.00
325 and over		50.70	47.10	43.50	39.90	36.30	32.70	29.10	25.50	21.90	18.30	14.70	11.10	7.50	3.90	.00	.00

APPENDIX C
EXCERPTS FROM A RECENT REPORT ENTITLED

PROPERTY TAX BURDENS
ON AGED HOUSEHOLDS

by

Calvin A. Kent
Associate Professor of Economics
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57069

The Property Tax Burden of Aged Households in South Dakota

During the month of July, 1971, data was gathered concerning the income and property taxes paid by aged people in South Dakota. This survey was part of a much larger project undertaken by the Business Research Bureau of the University of South Dakota and the South Dakota State Department of Health. The purpose of this larger survey was to construct a series of social indicators for the aged in South Dakota.

Information was obtained through a questionnaire. Nineteen interviewers personally contacted each respondent. The refusal rate was less than one percent although many declined to answer all questions. The questions concerning the property tax were tied into the total questionnaire.

The sample design used by the Bureau was a stratified, cluster, proportionate sample. The strata used were the six planning districts in South Dakota. In each district two counties were chosen in a random fashion and those 65 and over living in selected precincts or townships in those counties were interviewed. Only family heads were interviewed.

Of the slightly more than 80,000 aged in South Dakota, a final sample of 2,000 was selected for the Bureau study. Unfortunately only 617 of these were usable in this property tax study. The primary reason for this relatively small percentage of usable returns was that farm houses are not separated from other farm buildings for tax purposes. This means aged people living on farms would not be able to identify how much of their total property tax bill was for their home.

The tax questions were asked of the 617 elderly living in towns and cities. Of these interviews, sufficient information was obtained from 474. The others either refused to answer some of the questions or lived rent free with relatives or friends. Some were in government supported housing. For renters it was assumed that 20 percent of their rent represented property taxes.

In Table V is arrayed the results of the survey. In the first column are given percentile groups. These groups were so established that the 25 percent of the sampled aged which paid the lowest tax fell into the first group. Those in the first two groups represented the lowest half of the sample. Those in the last group represented the top 10 percent in terms of income taxed away. Also given in this table is the amount of taxes paid by those in each group, their total income and what percentage of total property taxes for all the sampled aged were paid by those in each group.

The "mean" or average elderly family in South Dakota paid 10.32 percent of their income in property taxes. This figure is somewhat misleading in that the very heavy tax burdens on a few families meant that 69 percent of the families carried a below average burden. Those in the upper 30 percent of the distribution (based on percent taxed away) paid 39.1 percent of all taxes paid.

This heavy tax burden on a few families is even more obvious when one consults Table VI. The survey data has been arrayed by income group reflecting the percentage of income paid in property taxes by respondents in those income groups. In Table VII the data is given on a percentage basis. As can be noted over 82 percent of those in the lowest income group (under \$1,000) paid over 20 percent of their meager incomes in property taxes. From this table it is obvious that the lower income groups have a very great tax burden. The higher income groups are treated more gently. No respondent with more than \$10,000 income paid more than 4 percent of his income in property taxes.

TABLE V
PERCENT OF HOUSEHOLD INCOME REPRESENTED BY
PROPERTY TAXES PAID FOR AGED HOUSEHOLDS
IN SOUTH DAKOTA FOR 1970

Percent Taxed	Number of Households	Total Income	Amount of Tax Paid	Percentage Distribution	Percent c Total Tax Paid*
0-4.38	118	\$ 981,500.00	\$ 23,244.00	25	17.3
4.38-8.75	119	486,750.00	29,478.00	50	22.0
8.75-12.00	96	290,500.00	28,820.00	70	21.5
12.00-15.56	45	132,750.00	17,586.00	80	13.1
15.56-20.00	47	97,750.00	16,946.00	90	12.6
20.00 and over	49	69,250.00	17,950.00	100	13.4
TOTALS	474	\$2,058,500.00	\$134,024.00		100.0

*Due to rounding summation, does not equal 100.0.

In Table VIII a comparison is given between the property tax burdens found in the survey for South Dakota and those in Minnesota and Wisconsin. The property tax burden on the aged is less than in Wisconsin and greater than in Minnesota. It should be noted that both the other states do have circuit breakers. The figures in Table VIII represent the burden before the credits or refunds. As [the following] Table [....] indicates [,] after the refunds or credits the burdens in both states are about half those in South Dakota.

THE REDUCTION IN PROPERTY TAX BURDENS UNDER THE WISCONSIN
AND MINNESOTA CIRCUIT BREAKERS: 1968

Income for Household	<u>Wisconsin</u>	
	<u>Percent of Income Taxed Away</u>	
	<u>Before Relief</u>	<u>After Relief</u>
1- 499	66	26
500- 999	26	10
1,000-1,499	20	11
1,500-1,999	16	11
2,000-2,499	14	11
2,500-2,999	13	11
3,000-3,500	13	12

Income for Household	<u>Minnesota</u>	
	<u>Percent of Income Taxed Away</u>	
	<u>Before Relief</u>	<u>After Relief</u>
Under 500	33.4	8.8
500- 749	19.6	6.0
750- 999	15.3	4.7
1,000-1,249	12.6	6.4
1,250-1,499	10.9	5.5
1,500-1,749	9.9	5.8
1,750-1,999	8.9	5.3
2,000-2,249	8.4	5.9
2,250-2,499	7.7	5.3
2,500-2,749	7.0	5.6
2,750-2,999	6.7	5.4
3,000-3,249	6.4	5.7
3,250-3,499	6.4	5.7

SOURCE: John Shannon, "Circuit Breakers as a Means of Putting a Ceiling on Property Taxes," October 10, 1970, (mimeographed).

The other observation to be made from Table VIII is that the property tax in all three states appears to be regressive. As the income of the aged rises the percentage of that income used to pay property taxes falls. As the figures in Table VII show, this relationship is fairly consistent. There are only a few exceptions to the observation that the lower an aged family's income, the greater that family's tax burden.

Property Tax Relief for the Aged Under Alternative Circuit Breakers

It was possible from the survey to calculate the amount of relief which would be given under two alternative circuit breakers. The first circuit breaker was a modified form of the Vermont approach. In this case a household which paid an above average amount (10.32 percent) of its income was granted relief for the full amount above the average subject to a \$300 limit. The results from this type of circuit breaker are given in Table IX.

This method of relief concentrated the benefits primarily in the lowest income group. Eighty-six percent of those whose household income was below \$1,000 would receive relief and over 90 percent of their tax payments would be credited or more probably refunded. Both the percentage of taxpayers and the amount of taxes subject to relief decline rapidly as income increases. Using this system 31.4 percent of the aged taxpayers get some assistance. The \$21,368.10 of their taxes relieved amounted to 15.94 percent of all property taxes which they paid on their homesteads.

To calculate the estimated cost to the state of giving all aged this type of relief, the following steps were taken. Without relief the average aged taxpayer paid \$282.75 in taxes on his home. With this type of relief the average payment falls to \$237.67, or a decrease of \$45.08. There were 80,484 aged in the state in 1970. On a nationwide basis in 1960 the average aged household consisted of 1.8 persons. If this figure is true for South Dakota then there are 44,713 aged households in the state. The estimated cost of this circuit breaker is \$2,015,662.04 in needed refunds or credits. This amounts to about 1.5 percent of all property taxes collected in the state and 15.9 percent of estimated total real property taxes paid by all aged families.

A second type of circuit breaker, which is similar to the Minnesota statute [prior to its recent amendment], was proposed by Governor Richard Kneip's Council for Tax Decision in 1971. This proposal was introduced as H. B. 849 in the 1971 legislature. It provided for 70 percent of property taxes paid by those in the under \$1,000 income group to be refunded or credited. The percentage fell through a series of steps to 10 percent for those with household incomes between 6 and 7 thousand.

The results from applying such a circuit breaker are given in Table X. Under this plan over 90 percent of all aged South Dakotans

would get some relief. This relief would be greater for all income groups, except the very lowest, than under the other type of circuit breaker. Relief would amount to 34.4 percent of all real property taxes paid by the aged.

These results can be expanded to estimate the revenue loss to the state from such a proposal. Before relief the average aged household paid \$282.75. If this circuit breaker were used, his taxes would fall by \$97.26 to \$185.49. This circuit breaker would cost the state \$4,348,786.38. This figure is around 3.3 percent of total property tax collections in the state.

Conclusions

The aged in South Dakota are carrying an unusually high property tax burden. As income falls this burden becomes increasingly severe. The two alternative circuit breakers mentioned in the study would reduce that burden. The circuit breaker based on a trigger point of 10.32 percent of total household income gives the most relief to the lowest income groups. The circuit breaker using a descending percentage gives more aged relief but less to those with lowest incomes. The second alternative is also twice as costly to the state in terms of lost revenue.

TABLE VI

NUMBER OF AGED HOUSEHOLDS PAYING A GIVEN PERCENT
OF THEIR INCOME IN PROPERTY TAXES: 1971

Household Income	Percent of household income taxed					
	0-3.9	4-7.9	8-11.9	12-15.9	16-19.9	20 and above
Less than \$1,000	0	3	1	1	0	23
1,000-1,999	24	13	24	17	21	26
2,000-2,999	14	35	25	18	10	5
3,000-3,999	5	29	15	11	0	3
4,000-4,999	10	16	14	9	0	0
5,000-5,999	3	19	10	4	0	1
6,000-9,999	18	22	6	0	0	0
10,000 or more	19	0	0	0	0	0

TABLE VII

PERCENT OF AGED HOUSEHOLDS PAYING A GIVEN PERCENT
OF THEIR INCOME IN PROPERTY TAXES: 1971

Household Income	Percent of household income taxed					
	0-3.9	4-7.9	8-11.9	12-15.9	16-19.9	20 and above
Less than \$1,000	0	10.7	3.6	3.6	0	82.1
1,000-1,999	19.2	10.4	19.2	13.6	16.8	20.8
2,000-2,999	13.1	32.7	23.4	16.8	9.3	4.7
3,000-3,999	8.0	46.0	23.8	17.5	0	4.8
4,000-4,999	20.4	32.6	28.6	18.4	0	0
5,000-5,999	8.1	51.4	27.0	10.8	0	2.7
6,000-9,999	39.1	47.8	13.0	0	0	0
10,000 or more	100	0	0	0	0	0

TABLE VIII
RATIO OF PROPERTY TAX TO HOUSEHOLD INCOME FOR THE AGED
IN SOUTH DAKOTA, MINNESOTA, AND WISCONSIN

Income	South Dakota (1970)	Minnesota (1968)	Wisconsin (1968)
Under 1,000	26%	18%	29%
1,000-1,999	14%	10%	18%
2,000-2,999	10%	8%	14%
3,000-3,999	9%	6%	13%
4,000-4,999	8%	N.A.	N.A.
5,000-5,999	8%	N.A.	N.A.
6,000-9,999	5%	N.A.	N.A.
10,000 or more	2%	N.A.	N.A.

N.A. = Not Available

SOURCE: Figures for Minnesota and Wisconsin calculated from John Shannon, "Circuit Breakers as A Means of Putting A Ceiling on Property Taxes," October, 1970, mimeographed.

TABLE IX
PROPERTY TAX RELIEF FOR SOUTH DAKOTANS
AGE 65 OR OLDER USING ABOVE AVERAGE
TAX PAYMENTS AS THE CRITERIA FOR RELIEF:
1970

Income Group	Number Eligible	Percent Receiving Relief a	Amount of Relief	Relief as a Percent of Tax Payments	Total Taxes Paid
Under 1,000	24	86	3,302.50	90.23	3,660
1,000-1,999	65	52	8,210.50	31.07	26,430
2,000-2,999	33	31	5,489.00	20.52	26,750
3,000-3,999	13	21	2,195.30	10.85	20,230
4,000-4,999	9	18	1,512.30	9.32	16,230
5,000-5,999	5	14	658.50	3.91	16,830
6,000-9,999	0	0	0	0	19,240
10,000 or more	0	0	0	0	4,654
Total	149	31.4	21,368.10	15.94	134,024

a. subject to the \$300 ceiling.

TABLE X
PROPERTY TAX RELIEF FOR SOUTH DAKOTANS
AGE 65 OR OLDER UNDER H.B. 849

Income Group	Number Eligible	Percent of Taxes Refunded ^a	Amount of Relief	Relief as a Percent of Tax Payments	Total Taxes Paid
Under 1,000	28	70	2,317	63.31	3,660
1,000-1,999	125	60	14,688	55.57	26,430
2,000-2,999	107	50	11,675	43.64	26,750
3,000-3,999	63	40	6,572	32.48	20,230
4,000-4,999	49	30	4,122	25.39	16,230
5,000-5,999	37	20	2,486	14.77	16,830
6,000-6,999	19 ^b	10	4,242	4.99	8,488

^a subject to the \$300 ceiling.

^b estimated based on 1968 Federal Tax Returns.

FACTS ABOUT THE STATE LEGISLATIVE RESEARCH COUNCIL

The State Legislative Research Council is a permanent, joint committee composed of every member of the South Dakota Senate and House of Representatives. Its purpose is to consider legislative policies between sessions of the Legislature. To achieve this purpose, the Council, during the interim between sessions, gives advance study and consideration to problems expected to confront the next Legislature.

The work of the Council is conducted by committees and subcommittees and by a research staff, under the direction of an Executive Board. The Council staff serves the Executive Board and committees and subcommittees in development of a program for consideration at the next legislative session, and serves every legislator in an impartial and objective fact-finding capacity.

In its work, the Executive Board: 1) acts as a clearing house for ideas on current legislative problems through receipt of proposals for study; 2) determines and directs the study and research necessary for proper consideration of all topics accepted; 3) disseminates advance information on these problems to legislators and the general public by means of reports and newsletters and by discussion at public meetings; and 4) reports directly to the Legislature in advance of regular sessions, making recommendations in the form of bills or otherwise, and summarizes the material prepared for use of the Legislature in considering the Council program.

Since 1951 the State Legislative Research Council has provided an open forum to which legislators, administrators, citizens, and organizations have submitted their proposals for consideration. As a result of Council activities, problems of South Dakota state and local government receive continuous attention and study by members of the Legislature.

Vermont:

"For any taxable year, an individual shall be entitled to a credit against his [income] tax liability . . . equal to the amount by which the property taxes, or the rent constituting property taxes, upon the individual's homestead . . . exceeds seven per cent of the individual's total household income for that taxable year"

"In the event that the [income] tax liability . . . is less than the amount of such credit, the difference . . . shall be refunded . . . to the individual"

Vermont Statutes Annotated, Title 32, Chapter 153,
Section No. 5967

Minnesota:

"The amount of any claim . . . shall be determined in accordance with the following schedule:

<u>Income Range</u>	<u>Percent tax</u>
\$ 0- 499	75
500- 999	70
1,000-1,499	50
1,500-1,999	40
2,000-2,499	30
2,500-2,999	20
3,000-3,499	10

Minnesota Statutes Annotated, Vol. 19, 1971 Supplement,
Section No. 290.0607

California:

"The amount of assistance shall be based on the claimant's household income for the . . . [calendar year which ends within the fiscal year for which the property taxes have been assessed]. The percentage of assistance for which each claimant shall be eligible shall be based upon the following scale":

If the total household
income * * * is not
more than:

The percentage of tax on
the first * * * \$7,500
of value (as determined
for tax purposes used to
provide assistance is:

\$1,000.....	96%
1,500.....	92
2,000.....	92
2,500.....	88
3,000.....	80
3,500.....	70
4,000.....	60
4,500.....	52
5,000.....	45
5,500.....	38
6,000.....	32
6,500.....	26
7,000.....	21
7,500.....	16
8,000.....	12
8,500.....	8
9,000.....	6
9,500.....	5
10,000.....	4

California Revenue & Taxation Code Section No. 19523

Wisconsin:

"(c) Subject to the limitations provided in this subsection, a claimant may claim as a credit against Wisconsin income taxes . . . property taxes accrued . . . or rent constituting property taxes accrued"

"(g) The amount of any claim pursuant to this subsection shall be limited as follows:

1. If the household income of the claimant's household was \$1,000 or less in the year to which the claim relates, the claim shall be limited to 75% of the amount by which the property taxes accrued, or rent constituting property taxes accrued, or both, in such year on the claimant's homestead is in excess of 3 % of household income exceeding \$500 but not exceeding \$1,000.

2. If the household income of the claimant's household was more than \$1,000 in the year to which the claim relates, the claim shall be limited to 60% of the amount of which the property taxes accrued, or both, in such year on the claimant's homestead is in excess of 3% of household income exceeding \$500 but not exceeding \$1,000, 6% of household income exceeding \$1,000 but not exceeding \$1,500, 9% of household income exceeding \$1,500 but not exceeding \$2,000, 12% of household income exceeding \$2,000 but not exceeding \$2,500 and 15% of all household income over \$2,500."

Wisconsin Statutes Annotated (West) Vol. 11, Section
No. 71.09(7)

A SUMMARY OF THE SENIOR CITIZENS PROPERTY TAX ASSISTANCE LAW
IN CALIFORNIA

On December 8, 1971, the California State Legislature enacted the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act to expand the existing Senior Citizens Property Tax Assistance Law. The new Act is intended to provide property tax relief to certain individuals who are 62 years of age or older. The Act provides that any qualified person may file each year for a refund of a portion of the property taxes levied on his home.

Do You Qualify? . . .

To qualify, an individual must meet each of the following requirements in the year he files:

- ➔ Must be 62 years of age or older as of January 1, and
- ➔ Must be a resident of California as of January 1, and
- ➔ Must have owned and occupied his home between July 1 and June 30 of the current fiscal year, and
- ➔ Must have paid the current property taxes assessed on the home, and
- ➔ Must have a household income not in excess of \$10,000 for the previous calendar year (January 1 to December 31). See instructions on the opposite page for what constitutes household income.

You may receive Senior Citizens Property Tax Assistance even though you also claim the veteran's property tax exemption or the homeowner's property tax exemption.

You Do Not Qualify . . .

If you or a member of the household received cash public assistance or relief payments which contained an allowance for property taxes during the fiscal year, you are not eligible for Senior Citizens Property Tax Assistance.

If the gross household income of all members of your household is more than \$20,000 (\$30,000 if your principal trade or business is farming), you do not qualify for Senior Citizens Property Tax Assistance, regardless of the amount of net income. See instructions on the opposite page for what constitutes gross household income.

Who May File a Claim? . . .

Only one member of each household may file a claim. If more than one person in a household qualifies, such as both husband and wife, they must decide which one will file the claim. Only one claim may be filed for each individual home.

What to do and When . . .

If you meet all of the qualifications, you should file a Property Tax Assistance claim with the Property Tax Assistance Division between May 16 and October 15. No claims may be filed prior to May 16 or after October 15. Extension to file after October 15 may be granted under certain circumstances.

Claim forms will be made generally available after May 10 each year and can be obtained at any office of the Franchise Tax Board after that date.

What Does Household Income Include? . . .

Household income includes all income received during the calendar year by all members of the household. It includes almost all cash received, such as wages, salaries, bonuses, tips, the gross amount of any pension or annuity, social security payments, disability payments, railroad retirement benefits, life insurance benefits and proceeds, interest and realized capital gains. The income of all members of the household must be included, regardless of whether they have an ownership interest in the property or contribute to the payment of the taxes.

What Does Gross Household Income Include? . . .

Gross household income includes the same items as household income except that gross household income includes GROSS rental receipts and/or GROSS profit from business or farming. No deductions are allowed in the computation of gross household income except those items necessary to determine GROSS profit from business or farming.

Amount of Property Tax Assistance Available . . .

The amount of property tax assistance will be a percentage of the property taxes paid by the claimant. The percentage is determined by the amount of household income in accordance with the schedule shown on the back page. No claim for \$5.00 or less will be allowed.

Property taxes paid means only those assessed on the first \$7,500 of assessed value of the homestead, and currently paid. Assistance is available on the dwelling and up to one acre of land surrounding the dwelling. Property taxes DO NOT include improvement bonds, interest or penalties, and charges for services such as weed burning.

Will a Lien be Placed on Your Property? . . .

Senior Citizens Property Tax Assistance does not become a lien on your property, and the law does NOT require this assistance to be repaid by your estate.

Where to Get Help . . .

If you need additional information, assistance or forms, telephone or call in person at any of the Franchise Tax Board offices listed below. Inquiries by correspondence should be directed to:

Senior Citizens Property Tax Assistance
P. O. Box 1588
Sacramento, California 95807

Franchise Tax Board Offices

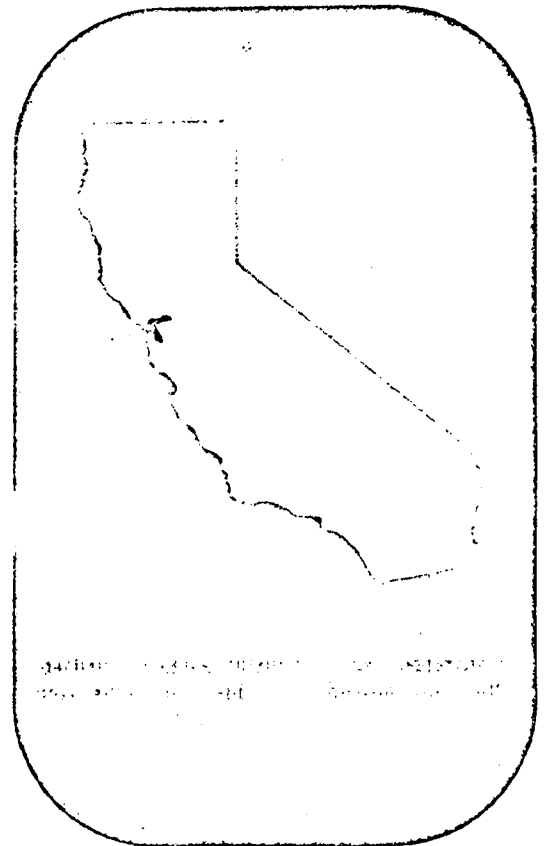
	Address	Telephone
Bakersfield.....	1031 Seventeenth Street.....	322-0540
Fresno.....	2550 Mariposa Street.....	488-5540
Long Beach.....	230 East Fourth Street.....	435-9116
Los Angeles.....	3325 Wilshire Boulevard.....	381-2540
Oakland.....	1111 Jackson Street.....	464-0540
Sacramento.....	1435 Alhambra Boulevard.....	445-9540
San Bernardino.....	303 W. Third Street.....	383-4201
San Diego.....	1350 Front Street.....	239-2215
San Francisco.....	345 Larkin Street.....	557-0540
San Jose.....	555 N. First Street.....	294-0540
Santa Ana.....	2021 E. Fourth Street.....	835-9540
Santa Barbara.....	411 E. Canon Perdido St.....	963-1828
Santa Rosa.....	1739 Fourth Street.....	544-0540
Stockton.....	31 E. Channel Street.....	948-0540
Van Nuys.....	8155 Van Nuys Boulevard.....	786-9540



Senior Citizens Property Tax Assistance
Franchise Tax Board
State of California

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CALIFORNIA Senior Citizens Property Tax Assistance Law



FTB 9404 (12-71)



CALIFORNIA

Senior Citizens Property Tax Assistance Claim Form, FTB 9000, and Instructions

1972

GENERAL INSTRUCTIONS

WHO MAY QUALIFY

To qualify for property tax assistance:

- You must be 62 years of age or older as of January 1, 1972.
- You must have been a resident of California on or before January 1, 1972.
- You must have owned and occupied your home between July 1, 1971, and June 30, 1972.
- You must have paid the property tax on your home for the fiscal year ending June 30, 1972.
- Your household income must have been no more than \$10,000 for the calendar year 1971.

Only one member of each household may file a claim.

If you or a member of your household received cash public assistance or relief payments which contained an allowance for property tax during the fiscal year, you are not eligible for Senior Citizens Property Tax Assistance.

The right to file a claim is personal to the claimant. Claims cannot be filed on behalf of a deceased person.

WHEN AND WHERE TO FILE THE CLAIM

Your claim must be filed with the Property Tax Assistance Division of the Franchise Tax Board after May 15, 1972, but not later than October 15, 1972. NO CLAIM CAN BE ACCEPTED IF FILED AFTER OCTOBER 15, 1972. An extension of time to file the claim may be granted upon the showing of good cause for the delay by the claimant. A letter requesting an extension and explaining the reason the extension is necessary must be sent no later than October 15, 1972. A claim may also be filed after the due date if the claimant was prevented from filing on time because of a medically certified incapacity. Your claim should be mailed to P.O. Box 1588, Sacramento, California 95807.

A copy of your 1971-72 property tax bill, and proof of your age must be sent in with your claim. You should only send one copy of the claim form, the extra copy is for your records.

SPECIFIC INSTRUCTIONS

PART I

Print your name, address, zip code, and social security number in the spaces provided on the claim form. If you do not have a social security number, you may use your railroad retirement benefits number. It is necessary that you fully complete all items in Part I of the claim form.

Proof of Age—To qualify for assistance under this law, you must be 62 years of age or older as of January 1, 1972. If your birth date is after January 2, 1910, you are not eligible for assistance this year. You must send proof of age with your first claim. The following types of documents will generally be accepted as satisfactory proof of age:

- A copy of your Medicare Card;
- Hospital Birth Record;
- Church Baptismal Record, established during the first few years of life, showing the date of birth;
- Document issued by the Social Security Administration clearly showing eligibility for benefits at age 62 or older;
- Any other document proving you to be over 62.

A copy of the proof of age document must accompany your claim. PLEASE DO NOT SEND ORIGINAL DOCUMENTS. The document you send must remain as a permanent part of your claim to substantiate the basis for your assistance.

PART II

Be sure to answer all of the questions in this part of the form.

Residents—You must have been a resident of California on or before January 1, 1972. If you were a nonresident of California during part of the fiscal year July 1, 1971, through June 30, 1972, you may file a claim for assistance if you were a resident of California on or before January 1, 1972. You may qualify for assistance on the property tax paid on your California home for the period of time you were a resident of California.

Question A: Property tax assistance is available only for the period you owned and occupied the property for which you are claiming assistance. If you did not own and occupy your home for the entire property tax fiscal year, July 1, 1971, through June 30, 1972, you must complete Schedule B on page 4 of these instructions. If you file your claim for assistance based upon the entire property tax fiscal year, and then move from your home prior to June 30, 1972, you must notify this department so that your claim can be adjusted to reflect the period of time you did not own and occupy your home. If you owned and occupied more than one home during the fiscal year (July 1, 1971, through June 30, 1972), you may claim assistance on each home for the period of time you occupied it. The total time may not exceed 12 months. The tax bills for both homes must be sent in with the claim. Summer or vacation homes do not qualify.

Question B: If you or a member of your household received public assistance or welfare during the fiscal year, July 1, 1971, through June 30, 1972, which contained an allowance for property tax, you are not eligible for Senior Citizens Property Tax Assistance. Public assistance programs which generally contain an allowance for property tax include Old Age Security, Aid to the Blind and Aid to the Disabled. Please tell us which member of your household received welfare.

Question C: If there is more than one dwelling or living unit on your property, you must prorate your property tax. Assistance is allowed only on that part of your tax that is assessed on your personal residence. You should tell us what portion of your property is your home. You may use Schedule D on page 4 of these instructions to assist you.

Question D: Property tax assistance is allowable only on your home and surrounding land, not to exceed one acre. If your home is situated on land which is greater than one acre, you should tell us the number of acres you own so that we can make the necessary adjustment. Please use Schedule E on page 4 to record this information.

Question E: Is your name the only name on the deed to your property? If your answer to this question is "No", please explain who the other persons are and the amount of ownership interest they have in the property. List their names and relationships on the form in the space provided and attach a list if more space is needed. Generally, the names on the tax bill indicate that each person has an ownership interest. If the words "et al." appear after your name on the tax bill, it indicates that there are other owners and you should identify them for us and explain their ownership interest. Please refer to the instruction on "Joint Ownership of Property" for further information.

PART III NAMES OF OTHER HOUSEHOLD MEMBERS

Be sure to fill in the names of the other members of your household and to indicate their relationship and age. Attach a list if you need additional space.

Members of the household include all relatives who reside in your home. Relatives are considered members of your household, even though they pay rent.

Be sure to include the income of all of these household members with your income in Part IV of the claim form.

PART IV HOUSEHOLD INCOME

List all household income received from January through December 1971 by you and all members of your household. Children or any other relatives living in your home are considered members of the household even though they do not contribute to your support, and their income must be reported along with your income. If a person was a member of the household for a part of the year, you must include his income for that period of time. Household income includes most all cash received. You do not qualify for property tax assistance if the gross household income of all members of the household is more than \$20,000, or in the case of those whose principal trade or business is farming, \$30,000. Gross household income is the sum of all types of income including gross rental and gross business income.

The most common items of income are:

1. SOCIAL SECURITY AND RAILROAD RETIREMENT.

The annual amount of monthly benefits received under these programs must be included in household income. Payments or reimbursements received for medical expenses in 1971 under Medicare are not considered income.

2. PENSIONS and ANNUITIES.

All types, including veterans' pensions and/or disability payments, etc. Please indicate the source of this income.

3. INTEREST and DIVIDENDS.

Interest received from all sources including bank accounts, U.S. Savings Bonds, and Savings and Loan deposits, dividends from investments you hold, regardless of whether you actually received the cash.

4. NET RENTAL INCOME.

If you received rental income, complete Schedule R on the reverse side of the claim form and enter the net income at Part IV, line 4 of the claim form.

5. NET BUSINESS INCOME.

If you received income from a business, attach a business profit and loss statement to your claim and enter the net income at Part IV, line 5 of the claim form.

6. OTHER INCOME.

Other types of income which must be reported as household income include:

- All wages received by all members of the household. This includes the wages of all related persons residing in your home with you.
- All unemployment insurance benefits.

- All workmen's compensation payments for temporary disability, permanent disability or death.
- All amounts received from an employer or any governmental body for loss of wages due to sickness or accident.
- All amounts received as damages whether by suit or agreement, for personal injuries or sickness.
- All the income received from a person, not a member of the household, who is legally obligated to support a member of the household.
- All inheritances or bequests, except between members of the household.
- All alimony.
- The entire amount of realized capital gains. Net capital losses may be deducted from household income, but only to the extent of \$1,000.
- Welfare or public assistance payments. If you or your spouse received Old Age Security, Aid to the Blind or Aid to the Disabled payments, you are not eligible for Senior Citizens Property Tax Assistance. Please tell us which members of the household received the welfare payments.
- Life insurance proceeds.

7. GIFTS.

Gifts of cash and property must be included; however, you should deduct \$300 from the total. Gifts between members of households should not be included.

8. TOTAL HOUSEHOLD INCOME.

If the total household income for the year exceeds \$10,000 you are not eligible to receive a reimbursement under this program.

9. PROPERTY TAXES PAID.

The property tax paid should be entered on line 9 of the claim form, unless the tax is prorated on the schedules on page 4 of these instructions, then the prorated amount should be entered. The maximum amount of property tax which can be used to determine the amount of assistance is limited to the amount of tax paid on the first \$7,500 of assessed valuation of your property. If the assessed valuation of your home exceeds \$7,500, you must reduce the tax to the amount paid on the first \$7,500 of assessed value. You may make this computation yourself by multiplying the total tax rate by 75. If you wish, leave this line blank and we will make the computation for you.

PROPERTY OWNERSHIP

A senior citizen must meet at least one of the categories of ownership listed below in order to qualify for Senior Citizens Property Tax Assistance:

- Must own his own home and the land upon which it is situated as evidenced by a contract of sale or duly recorded deed.
- Must own a home located on land owned by a non-profit incorporated association, of which the claimant is a member, and must be required to pay a share of the property tax assessed to the association.
- Must have a possessory interest in the property and be required by law to pay the property taxes.
- Must own either the land or the improvements located on the land upon which the claim is filed. Examples would be an individual who resides in a mobile home on land which he owns and pays property taxes, or an individual who owns a home (improvements) on leased land.

JOINT OWNERSHIP OF PROPERTY

If the recorded title to your home is held by you as a joint tenant or tenant in common with an individual who does not live with you, you are entitled to assistance on the tax assessed on the portion which you legally own. In cases of joint tenancy with your spouse, parent, child, or grandchild, including the spouse of the parent, child or grandchild, this adjustment is not required.

Recorded title will generally be determined by the names appearing on the tax bill unless other proof of ownership is submitted.

PROPERTY TAX BILL AND PROOF OF PAYMENT

You must send a copy of your 1971-72 property tax bill with your claim. The law requires that we have a copy of your tax bill as a part of your permanent file. Proof of payment of your taxes is no longer required.

COOPERATIVE HOUSING

If you own your home as a member of a cooperative housing corporation, you may qualify for assistance on the tax assessed and paid with respect to your interest in the land and structures. Since you do not receive a separate tax bill you must include a copy of the tax bill on the entire property and a statement from an official of the corporation which indicates the assessed value of your interest, the amount of your share of the total tax and the basis for the proration of the total tax.

10. AMOUNT OF ASSISTANCE CLAIMED.

The amount of assistance will be computed for you. However, if you want to compute the amount of your own claim, you should use the Computation Schedule on page 4 of these instructions. No claim can be paid if the total amount allowable is \$5.00 or less.

SIGNATURE

You must sign and date the claim in the space provided. The claim must be filed after May 15, 1972, but not later than October 15, 1972.

If someone other than the claimant signs the claim form, a copy of the power of attorney, guardianship papers, or other document entitling them to sign must accompany the claim form. A claim cannot be filed in behalf of or in the name of a deceased person.

PROPERTY TAX ASSISTANCE SCHEDULE

If the household income is not more than:	The percentage of assistance is:
\$1,000	96%
2,000	92%
2,500	88%
3,000	80%
3,500	70%
4,000	60%
4,500	52%
5,000	45%
5,500	38%
6,000	32%
6,500	26%
7,000	21%
7,500	16%
8,000	12%
8,500	8%
9,000	6%
9,500	5%
\$10,000	4%

WHEN WILL REIMBURSEMENT BE MADE?

Checks will be mailed beginning July 1 of each year and most will be mailed by November 30 of each year. No checks can be issued prior to July 1.

WHERE TO GET HELP

If you need additional information, assistance or forms, telephone or call in person at any of the Franchise Tax Board offices listed below. Inquiries by correspondence should be directed to: Senior Citizens Property Tax Assistance, P.O. Box 1538, Sacramento, California 95807.

FRANCHISE TAX BOARD OFFICES

Bakersfield	1031 Seventeenth Street	322-0540	San Francisco	345 Larkin Street	557-0540
Fresno	2550 Mariposa Street	489-5540	San Jose	555 North First Street	294-0540
Long Beach	230 East Fourth Street	435-9116	Santa Ana	2021 East Fourth Street	535-9540
Los Angeles	3525 Wilshire Boulevard	381-2540	Santa Barbara	411 E. Canon Perdido Street	963-1822
Oakland	1111 Jackson Street	451-0540	Santa Rosa	1739 Fourth Street	544-0540
Sacramento	1435 Alhambra Boulevard	445-0540	Stockton	31 East Channel Street	943-0540
San Francisco	305 W. Third Street	380-1001	Van Nuys	6155 Van Nuys Boulevard	766-9540
San Diego	1350 Front Street	230-2215			



PROPERTY TAX ASSISTANCE CLAIM

1972

PART I			
FIRST NAME	INITIAL	LAST NAME	SOCIAL SECURITY NUMBER
STREET ADDRESS			CITY
STATE		ZIP CODE	
DATE OF BIRTH—Be sure to enclose proof of your age. If you were born after January 2, 1910, you are not eligible for property tax assistance.		Mo.	Day Year
This claim must be filed before OCTOBER 15, 1972. Be sure to attach: 1. Proof of your age such as a <u>copy</u> of your Medicare Card, and 2. A copy of your 1971-72 tax bill.			
PART III NAMES OF RELATIVES LIVING WITH YOU, INCLUDING SPOUSE			
Were relatives, including your spouse, living with you during 1971? YES _____ No _____ If the answer is "yes" enter name(s), relationship and age below.			
NAME			
RELATIONSHIP		AGE	
NAME			
RELATIONSHIP		AGE	

PART II PLEASE ANSWER THESE QUESTIONS
A. Have you, since July 1, 1971, continuously occupied the property for which you are claiming assistance? Yes _____ No _____ (If no, please explain.)
B. Did you or any member of your household receive payments through the county welfare department after July 1, 1971? Yes _____ No _____ (If yes, please explain.)
C. Is there more than one dwelling or living unit on your property? Yes _____ No _____ (If yes, attach Schedule D)
D. Is your lot more than one acre in size? Yes _____ No _____ (If yes, attach Schedule E) No. of acres _____
E. Is your name the only name on the deed to your property? Yes _____ No _____ (If no, please list name(s) and relationship) Name _____ Relationship _____ Name _____ Relationship _____

PART IV HOUSEHOLD INCOME Include your income and the income of individuals listed in Part III received during 1971	RECEIVED DURING 1971
1. Social security and railroad retirement	\$ _____
2. Pensions and annuities LIST SOURCE _____	_____
3. Interest and dividends	_____
4. Net rental income (complete Schedule R on back)	_____
5. Net business income (attach schedule)	_____
6. Other income such as Wages, Insurance Proceeds, Death Benefits, etc. List source _____ _____ _____	_____
7. Gifts (in excess of \$300 total)	_____
8. TOTAL HOUSEHOLD INCOME (MUST NOT EXCEED \$10,000)	\$ _____
9. AMOUNT OF 1971-72 PROPERTY TAXES PAID	\$ _____
10. AMOUNT OF ASSISTANCE CLAIMED Line 9 times _____% (See instructions)	\$ _____

Under penalty of perjury, I declare that:

- (1) I have examined this claim, (including accompanying schedules) and to the best of my knowledge it is true, correct and complete.
- (2) I have included all of the income of all of the household members.

SIGNED _____ DATE _____

Mail this form to: Senior Citizens Property Tax Assistance Division
P.O. Box 1508, Sacramento, California 95807

SCHEDULE K—RENTAL INCOME

PLEASE NOTE—DO NOT FILL IN BLANKS UNLESS YOU REPORT
RENTALS AT PART IV, LINE 4 ON REVERSE SIDE

1. Address or Property Identification				
2. Gross Receipts				
3. Expenses for:				
Depreciation (complete depreciation schedule below)				
Property Taxes				
Interest				
Insurance				
Yard Maintenance				
Supplies				
Legal & Accounting				
Auto Expense				
Telephone				
Light, Heat, Water, Power				
Garbage				
Repairs				
Other Expense (list)				
4. TOTAL EXPENSES				
5. EXPENSES FOR PORTION OCCUPIED BY OWNER				
6. RENTAL EXPENSE (line 4 less line 5)				
7. NET RENTAL INCOME (line 2 less line 6)				

ENTER THE AMOUNT OF NET RENTAL INCOME ON PAGE 1, PART IV, LINE 4

DEPRECIATION SCHEDULE

DESCRIPTION	DATE OF PURCHASE	COST OR OTHER BASIS	ALLOWED IN PRIOR YEARS	METHOD OF COMPUTING	RATE OR LIFE	DEPRECIATION THIS YEAR

FIRST NAME	INITIAL	LAST NAME	SOCIAL SECURITY NUMBER	
STREET ADDRESS				
CITY		STATE	ZIP CODE	

SUPPLEMENTAL SCHEDULES

These schedules are provided to assist claimants in computing the amount of assistance they are entitled to receive. You should only complete the schedules that apply to your particular claim.

The computations will be made for you if you will provide the information requested on the starred (★) and underlined items of the schedules. WE MUST HAVE the underlined items in order to make the computations.

SCHEDULE B HOME NOT OWNED AND OCCUPIED FOR THE ENTIRE PROPERTY TAX FISCAL YEAR (July 1, 1971, through June 30, 1972)

1. Number of months you owned and occupied your home during the fiscal year ★ _____
2. Percentage of fiscal year you owned and occupied your home (line 1 divided by 12). \$ _____
3. Total property tax on the home for the entire year \$ _____
4. Property tax on the home for the portion of the year that you owned and occupied the property (line 2 times line 3). ENTER HERE AND ON LINE 9 OF CLAIM FORM \$ _____

SCHEDULE D MULTIPLE FAMILY DWELLING OR MULTI-USE PROPERTY

Complete Schedule D only if your property is used partly for your personal residence and partly for some other use such as rental, business or farming.

1. Value of the property (as shown on tax bill) ★ \$ _____
2. Estimated value of the portion devoted to claimant's home ★ \$ _____
3. Ratio or percentage of the portion devoted to the home (line 2 divided by line 1) \$ _____
4. Total property tax on the entire property \$ _____
5. Tax on the portion devoted to the home (line 3 times line 4). ENTER HERE AND ON LINE 9 OF CLAIM FORM \$ _____

SCHEDULE E SINGLE FAMILY DWELLING LOCATED ON MORE THAN ONE ACRE

1. Number of acres ★ _____
2. Value of entire property (as shown on tax bill) ★ \$ _____
3. Estimated value of the home and the land around the home, not to exceed one acre ★ \$ _____
4. Ratio or percentage of portion devoted to the home (line 3 divided by line 2) \$ _____
5. Property tax on the entire property \$ _____
6. Property tax on the home portion (line 5 times line 4). ENTER HERE AND ON LINE 9 OF CLAIM FORM \$ _____

COMPUTATION OF AMOUNT OF CLAIM—The amount of assistance you will receive will be computed for you. However, if you wish to compute this amount yourself, complete this schedule.

Compute the amount of assistance as follows:

1. Amount of property tax paid or prorated amount (line 9 of claim form) \$ _____
2. Determine percentage of assistance from the schedule on page 3 of these instructions \$ _____
3. Amount claimed (multiply the amount of property tax paid entered on line 1 by the percentage entered on line 2) \$ _____

ENTER THIS AMOUNT ON LINE 10 OF THE CLAIM FORM

IF YOU COMPLETE ANY OF THE SUPPORTING SCHEDULES ABOVE, PLEASE ATTACH THIS PAGE TO YOUR CLAIM FORM.

60215-400 2-72 1,000M DWP © D OBP

How to Compute Your Assistance . . .

An example of how to compute your assistance follows:

1. Total household income.....	\$4,150.00
2. Percentage of assistance available, from schedule below based upon household income	52%
3. Amount of property taxes paid.....	\$300.00
4. Amount of assistance, multiply the percent at line 2 times the amount of property taxes at line 3.....	\$156.00

Property Tax Assistance Schedule

If the household income is not more than:	The percentage of assistance is:
\$1,000.....	96%
2,000.....	92%
2,500.....	88%
3,000.....	80%
3,500.....	70%
4,000.....	60%
4,500.....	52%
5,000.....	45%
5,500.....	38%
6,000.....	32%
6,500.....	26%
7,000.....	21%
7,500.....	16%
8,000.....	12%
8,500.....	8%
9,000.....	6%
9,500.....	5%
10,000.....	4%

When Will the Refunds be Made?

Refund warrants will be processed and mailed beginning July 1 of each year and most will be completed by November 30 of each year. No refunds can be made prior to July 1.

CALENDAR OF FISCAL EVENTS

	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
COUNTY ASSESSOR	ASSESSES ALL PROPERTY					COMPLETION DATE DEC 31 ST						
		Closes roll as to changes in ownership of property on December 1 ST or earlier date if approved by the County Commissioners.					Prepares Segregation by Feb 1 ST					
						SELLS LICENSE PLATES *						
COUNTY BOARD OF EQUALIZATION		Commissioners Roll Back to Assessor By Sept 1 ST					MEETS ALL MONTH	Clerk enters changes made and delivers roll to Auditor within 5 days				
STATE BOARD OF EQUALIZATION								1 ST Monday thru 3 RD Monday				
STATE TAX COMMISSION	NET PROCEEDS OF MINES ASSESSMENT		Assessor Collects	Fixes Utility & Bank Valuations	Certified to Assessor by Dec 1 ST		NET PROCEEDS OF MINES ASSESSMENT	Assessor Collects				Land and Livestock Bulletin for ensuing year
			PROPERTY LIEN DATE 1 ST Monday			Tax Comm budget forms mailed			CERTIFIES RATES TO COUNTIES			
	RATIO STUDY ON CURRENT TAX ROLL BY JUNE 31 ST											
ALL POLITICAL SUBDIVISIONS (City, County, School, etc.)							ALL POLITICAL SUBDIVISIONS PREPARE BUDGETS	Complete by March 15 TH unless extended two weeks				
COUNTY AUDITOR								ENTERS CHANGES made by State Board of Equal and TOTALS TAX ROLL		Extends Roll by June 1 ST		
COUNTY TREASURER	1 ST Installment TAXES 1 ST Monday			2 ND Installment TAXES 1 ST Monday			3 RD Installment TAXES 1 ST Monday		LAST Installment TAXES 1 ST Monday	Certificates on delinquent taxes issued 4 TH Monday	Report delinquent taxes within 10 days	MAIL TAX BILLS
LEGAL HOLIDAYS	4 TH		LABOR DAY	ADMISSION DAY	VETERANS DAY THANKSGIVING	CHRISTMAS	NEW YEARS				DECORATION DAY	

* Except Clark and Washoe Counties

ASSESSMENT AND COLLECTION OF TAXES*

1964						1965						1966												
JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	
1964-65 TAX ROLL																								
ASSESSMENT PERIOD						EQUALIZATION & BILLING PERIOD						TAX COLLECTION PERIOD						1964-65 TAX ROLL						
												1ST INSTALL			2ND INSTALL			3RD INSTALL		LAST INSTALL				

JAMES A. BILBRAY
County Assessor

Office of the County Assessor

CLARK COUNTY COURT HOUSE
LAS VEGAS, NEVADA 89101
PHONE 386-4011

WILLIAM B. BYRNE
Chief Deputy

October 25, 1972

Mr. Richard A. Sheffield,
Deputy Legislative Counsel,
Legislative Counsel Bureau,
Carson City, Nevada 89701

Dear Mr. Sheffield:

This is in reply to your letter dated October 19, 1972, re property tax exemption for senior citizens, and the consideration of rent as earmarked for property taxes.

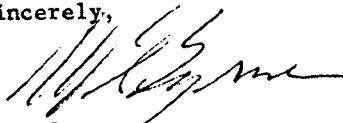
As I recall, I believe I expressed the opinion that in view of Nevada's favorable property tax laws, as compared to other States, the percentage of property tax, as to rent, would probably be closer to 15% than the 20 to 35 percent considered in other States.

As requested in your letter, we have done a bit of research and, altho incomplete, it reflects as follows; in evaluating the following for the purpose it might be well to keep in mind that, of course, the majority of rentals would be in the apartment category, rather than homes.

Using the maximum tax rate of \$5 per \$100 of assessed valuation, the taxes on a \$20,000 home would be \$350; the average rent, in this area, would be \$200 per month, i.e., 15%. The tax assessment on a \$40,000 home would be \$700 per annum; average rent would be \$375 per month, i.e., 16%. An 8-plex composed of 8 units with an appraised value of \$12,000 per unit, would pay a tax assessment of \$210 per annum per unit; average rent would be \$165 per month, i.e., 11%.

For example, the \$20,000 home in California would bear a property tax burden of between \$600 and \$700 per annum as compared to \$350 in Nevada. Hope this is useful to you. Best regards,

Sincerely,


W.B. Byrne
Chief Deputy Assessor

WBB:nd

CHARLES A. HENDEL, APPELLANT, v. CHARLES E.
WEAVER, MINERAL COUNTY ASSESSOR, RESPOND-
ENT.

No. 4311

February 2, 1961

359 P.2d 87

Appeal from judgment of the Fifth Judicial District
Court, Mineral County; Peter Breen, Judge.

Action to enjoin county assessor from allowing statu-
tory tax exemption to veterans. From judgment of the
lower court denying relief, plaintiff appealed. The
Supreme Court, BADT, C. J., held that statute exempting
from taxation, personal property, to the extent of \$1,000
assessed valuation, of certain veterans, was an exemp-
tion for charitable purposes, authorized by constitu-
tional provision, and was not invalid, even though
exemption was not limited to needy veterans.

Affirmed.

Ernest S. Brown and Jack I. McAuliffe, of Reno, for Appellant.

Roger D. Foley, Attorney General, *John A. Porter*, Deputy Attorney General, *W. T. Mathews*, Special Deputy Attorney General, and *L. E. Blaisdell*, District Attorney, Mineral County, for Respondent.

1. TAXATION.

Statute exempting from taxation personal property, to the extent of \$1,000 assessed valuation, of certain veterans, was an exemption for charitable purposes, authorized by constitutional provision, and was not invalid, even though exemption was not limited to needy veterans. NRS 361.090; Const. Art. 10, § 1.

2. CONSTITUTIONAL LAW.

Supreme Court, in determining constitutionality of statute, might properly consider legislative history of statute, prior similar statutes, statutes relating to similar subject matter, fact that participating in its legislative enactment were men who were part of constitutional convention which enacted constitutional provision in question, and apparent determination of legislature that objective of legislation was for charitable purpose. NRS 361.090; Const. Art. 10, § 1.

3. STATUTES.

Legislature was presumed to have investigated facts upon which legislation was based.

4. CONSTITUTIONAL LAW.

Statute came to Supreme Court clothed with presumption of validity.

OPINION

By the Court, BADT, C. J.:

This appeal tests the constitutionality of NRS 361.090 reading in part as follows: "Veterans' exemptions. The property, to the extent of \$1,000 assessed valuation, of any actual bona fide resident of the State of Nevada for a period of more than 3 years who has served * * * in the Armed Forces of the United States in time of war * * * shall be exempt from taxation."

The statute has a long history. "An Act exempting property of veterans," approved March 10, 1917 (Stats. 1917, 65) granted to veterans an exemption to the amount of \$1,000, provided the veteran's income did not

exceed \$900 per annum and he did not own property over \$3,000 in value. This was amended in 1921 (Stats. 1921, 166) by increasing the maximum income proviso to \$1,200 and increasing the property proviso to \$4,000. A further amendment in 1923 (Stats. 1923, 360) increased the maximum income proviso to \$1,800, but left intact the maximum ownership proviso of \$4,000. In 1925 (Stats. 1925, 250) the legislature exempted property used by any post or unit of any national organization of ex-servicemen. In 1927 (Stats. 1927, 140) the legislature deleted the provision limiting the benefit of the act to persons having income of less than \$1,800 per annum. In 1945 (Stats. 1945, 43) the burden of obtaining the exemption was lightened in certain cases by eliminating the necessity for filing annual affidavits. In 1947 (Stats. 1947, 674) the legislature required proof of continuation of the veterans' status. In 1949 (Stats. 1949, 28) the statute was re-enacted providing for \$1,000 exemption without limitation as to income or ownership of property. Further amendments are found in Stats. 1951, 301, Stats. 1953, 595, Stats. 1953, 598, Stats. 1954, 30, and Stats. 1955, 341. The last group of amendments do not involve any matters with which we are here concerned.

The constitutional limitation, which the present act is said to contravene, is contained in the Nevada constitution, Art. 10, Sec. 1. This section, so far as here pertinent, now reads as follows: "The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property * * * and there shall also be excepted such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes." Since its adoption in 1864 this section of the constitution has been amended several times. These amendments require no discussion, other than to recognize the amendment proposed and passed by the legislature in 1939 (Stats. 1939, 360), agreed to and passed by the legislature in 1941 (Stats. 1941, 559), and ratified by the people in 1942, which preserved the exemption

from taxation of "such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes."

It is conceded that only under the last-quoted clause and particularly under the last phrase thereof—"or other charitable purposes," can the veterans' statutory exemption be justified. *State v. Carson City Savings Bank*, 17 Nev. 146, 30 P. 703. It must be conceded also that the decisions of the several states are not in harmony as to the validity of such legislation, under varying constitutional provisions. See discussion in *Anno*. 116 A.L.R. 1437. The court below held that the statute did not violate the constitutional provision in question.

Appellant presents the following contentions:

"1. Conceding that the original statute was for a charitable purpose the statute has been so changed by the legislature that the original purpose no longer exists.

"2. Conceding that rehabilitation of veterans is a proper charitable purpose, it must be limited and restricted to veterans who need rehabilitation.

"3. That the statute as it now exists does not accomplish a charitable purpose within the meaning of the Constitution of the State of Nevada."

[Headnote 1]

These three contentions present but a single and readily understandable concept. Paraphrasing appellant's argument, to confer a financial benefit on a wealthy veteran is not an act of charity. A statute that accomplishes this does not effectuate a charitable purpose. The original statute restricting to needy veterans the benefit conferred did effectuate such a purpose. The legislature could reasonably recognize that years of military service could materially affect the financial status of the veteran. A partial relief from taxation could help and hasten his rehabilitation, could lessen the danger of his becoming a public charge and could, to that extent, reduce the burden of government. The amendment stripped the statute of its only justification. This argument is not without persuasiveness but, by reason of

the matters hereinafter discussed, we are compelled to reject the same.

For definitional purposes, appellant quotes at length from *Young Men's Christian Ass'n. of Germantown v. City of Philadelphia*, 323 Pa. 401, 187 A. 204, 210. The case itself is not in point on its facts. The holding is simply that the local Y. M. C. A. was properly exempted from taxation with reference to that part of its property devoted wholly to charitable uses, but that its dormitory rooms rented at reasonable prices were used in commercial transactions and therefore not exempt. The holding is supported by authorities from many states. The opinion does, however, contain an exposition of why charitable institutions are exempted from taxes, namely, because they do, pro tanto, assume a share of the public burden, the care of persons for whom the government would otherwise have to provide. Appellant then ties this into his main contention that our veterans' exemption statute, valid so long as it applied only to veterans with limited income and with limited ownership of property, became invalid when these limitations were removed. The Y. M. C. A. case, and all the scores of the Y. M. C. A. cases, are undoubtedly correct as applied to "charitable institutions," but that does not touch our problem, which is more analogous to the question of exempting (to the same extent) the property of widows and orphans.

The learned trial judge, citing *State of Nevada v. Parkinson*, 5 Nev. 15, 5-6-7 Nev. 17, noted the view of this court that contemporaneous legislation may always be considered in force in constitutional interpretation, and that this was given greater weight by reason of the fact that a number of the members of the legislature enacting the legislation granting the exemption to widows and orphans had likewise been members of the constitutional convention that "framed" the particular constitutional provisions in point. The district judge proceeded: "In the instant case certain contemporaneous legislation throws considerable light on the question of the intention of the constitutional convention of 1864 with respect to the power and authority granted to the

legislature concerning tax exemptions. The revenue act passed at the First Session of the Legislature of Nevada contained a provision for the exemption of the property of widows and orphans of the value of not more than \$1,000." Under the analogy, then, of a veteran's exemption from taxation to the extent of \$1,000 (without regard to the veteran's annual income or ownership of property) with the \$1,000 exemption granted to widows and orphans by the first legislature (Stats. 1864-5, 273), he concluded that the veterans' exemption did not violate the constitutional limitation.

Appellant rejects this reasoning as follows: "Inasmuch as the philosophy of the English-speaking world since time immemorial has been to collectively aid widows and orphans, it is a traditional burden of the body politic to ensure that such unfortunates should not be cast out where they cannot make their way. It is, therefore, perfectly consistent for the taxing authority to alleviate distress with tax exemptions. But it defies reason to equate all veterans with widows and orphans. In most families the man is the breadwinner. A child is not capable of assuming such a task, nor is a woman capable of fully meeting the requirements of the situation. It would appear to appellant that this factor and this factor alone is the only legitimate basis for a tax deduction to widows and orphans."

This concession by appellant must be read in connection with his primary thesis, namely, that the statute as originally written, concededly valid because the exemption was given only to needy veterans (those with a specified limited annual income and with a specified limitation of property owned), became invalid when the limited income and limited property ownership provisos were stricken. But widows may own large estates and orphans may have extensive properties held in trust for them. This must be conceded. Nevertheless, the original statute applied, and our present statutes still apply, to all widows and orphans, not merely to needy widows and orphans. Thus it would appear that the exemption to all widows and orphans does not find its approval in

the conclusion that they would otherwise be burdens upon the community and that the exemption relieves the public burden.

[Headnote 2]

The statute exempting to the extent of \$1,000 taxation of the property of all widows and orphans, under the constitutional authority to exempt property from taxation for charitable purposes, has been on our books ever since territorial days. It was contemporaneous with the adoption of the constitution itself. Participating in its legislative enactment were a number of the men who were part of the constitutional convention. So far as the court is advised, the statutory exemption (to the extent of \$1,000) of the property of all widows and orphans has never been questioned. We may properly consider these factors. *Worthington v. Second Judicial District Court*, 37 Nev. 212, 142 P. 230, L.R.A. 1916a, 696. To dispose of this situation by the explanation that without this assistance widows and orphans might become a public charge rejects the very objection made by appellant to the veterans' exemption statute. If wealthy widows, and orphans who are beneficiaries of large trust estates, are in no danger of becoming public charges, and if it is nevertheless conceded that the widows' and orphans' exemption statute does not violate the constitutional limitations (and it is so conceded), then the argument of appellant fails.

We may consider, too, the apparent determination of the legislature that the objective of the legislation was for a charitable purpose. In *Bruce v. Young Men's Christian Ass'n.*, 51 Nev. 372, 379, 277 P. 798, 799, this court said: "While we do not think it necessary to pass upon the question as to whether the legislature in passing the act in question conclusively determined the defendant to be a charitable institution, it is certainly indicative of that idea." We may resort to the same case for a definition of charity: "Mr. Justice Gray, in *Jackson v. Phillips*, 14 Allen (Mass.) 539, defined a charity as follows: 'A charity, in a legal sense, may be more fully defined as a gift, to be applied consistently with existing

laws, for the benefit of an indefinite number of persons, either by bringing their minds or hearts under the influence of education or religion, by relieving their bodies from disease, suffering, or constraint, by assisting them to establish themselves in life, or by erecting or maintaining public buildings or works, or otherwise lessening the burdens of government. It is immaterial whether the purpose is called charitable in the gift itself, if it is so described as to show that it is charitable in its nature.' " *Id.*, 51 Nev. 380, 277 P. 799.

The court frankly concedes that its conclusion is based almost entirely on analogy; that reasoning by analogy is not infallible; that it may often be inconclusive. Yet it is often used to support the opinions of the courts. "If," says Bracton, "any new and unwonted circumstances, hitherto unprecedented in the realm shall arise, then if anything analogous has happened before, let the case be adjudged in like manner, since it is a good opportunity for proceeding *a similibus ad similia*."¹ And Coke, who took much of his law from Bracton, also noted: "For like reason doth make like law."² Thoreau stated: "All perception of truth is the perception of an analogy; we reason from our hands to our head."³ Colton is quoted as having said: "Analogy, although it is not infallible, is yet that telescope of the mind by which it is marvelously assisted in the discovery of both physical and moral truth."⁴

The analogy in the present instance is more than persuasive. Granted the propriety of exempting from taxation the property of *all* widows and orphans to the extent of \$1,000 valuation, there follows the recognition of the propriety of exempting the property of *all* veterans from taxation to the extent of \$1,000. If *not all* veterans are in danger of becoming a public charge, neither are *all* widows and orphans.

¹Bracton, *De Legibus et Consuetudinibus Angliae*, f. 1b. Compilation by M. Frances McNamara, Matthew Bender & Co., Inc., 1960, 12.

²*Idem*.

³Book of Unusual Quotations, ed. by Rudolf Flesch, Harper & Brothers, 1937, 10.

⁴Dictionary of Thoughts, by Tryon Edwards, F. B. Dickerson Co., 1906, 18.

[Headnotes 3, 4]

Or let us examine appellant's argument that the exemption granted to a *needy* veteran (one having an annual income of not more than \$1,800) met the constitutional requirement that the exemption be for a charitable purpose, but that the exemption granted without the qualification did not. Veteran A has but himself to support, but because his annual income is only \$1,700, he is a proper subject of the state's charity. Veteran B has a wife and five small children to support, but because he has an annual income of \$1,800, he is not a proper subject of the state's charity. That this suggests only a legislative problem is not a satisfactory answer. For over 40 years our successive legislatures have wrestled with the question. In 1927 (when the provision relating to annual income was deleted) and finally in 1949 (when the provision relating to ownership of property was deleted) the conclusion was apparently finally reached that an assumption of *need*, or an arbitrary factual determination of *need*, based on a fixed limitation of income or a fixed limitation of property owned was not right, just, accurate, or equitable, nor was it in effect equal or uniform, but that it was based on a "rubber yardstick." Nor can it be said that this is still a legislative problem. The legislature could well have found that it would be necessary to create a commission to determine the *need* of each veteran, each year, to determine his right to the exemption, but that such commission (with its chairman, its secretary, its field examiners, with their respective salaries, expenses, travel allowance, office space and office equipment) would operate at an administrative cost many times the extent of the benefit conferred.⁵ Not only did the legislature have the veteran's exemption statute before it for over 40 years, but it had the widows' and orphans' exemption statute before it for some 97 years unchanged. The legislature is presumed to have investigated the facts on which the legislation is based. *Viale v. Foley*, 76 Nev. 149, 350

⁵The statutory exemption of \$1,000 of property from taxation could not, under our constitutional limit of taxation of \$5 per \$100 valuation, exceed \$50 a year in payment of taxes.

P.2d 721. We must assume that it rejected, as thoroughly impracticable, any attempt at administration of an exemption governed by annual income and amount of property owned and establishing the estimated need of each veteran as determined by the findings and conclusions of a commission's field examiners. The statute comes to us clothed with the presumption of validity. *Viale v. Foley*, supra. It is our opinion that such presumption has not been overcome.

The relief sought by appellant was that the respondent county assessor be enjoined from allowing the tax exemption to veterans. The judgment denying such relief is affirmed.

PIKE and MCNAMEE, JJ., concur.

SUMMARY--Provides property tax assistance for senior citizens.
Fiscal Note: No. (BDR 32-135)

AN ACT providing property tax assistance to senior citizens of limited incomes; providing for the state to underwrite the cost of such assistance; placing overall responsibility on the Nevada tax commission to administer the assistance and local responsibility on county authorities to handle individual claims; providing a criminal offense for making a false claim; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 38, inclusive, of this act.

Sec. 2. Sections 3 to 38, inclusive, shall be known and may be cited as the Senior Citizens' Property Tax Assistance Act.

Sec. 3. 1. The legislature finds that:

(a) Senior citizens of this state live, as a rule, on limited retirement incomes which remain fixed while property taxes and other costs constantly rise.

(b) The erosion of senior citizens' income in terms of true value threatens to destroy the ability of many to retain ownership of the homes in which they had planned to spend their later years.

(c) Senior citizens are often forced to divert an excessive portion of their incomes into the property taxes on their homes, thus leaving insufficient funds for other things essential to their well-being.

(d) Many senior citizens who rent their homes also pay an excessive portion of their income into property taxes through the media of rent payments.

(e) Fifteen percent of the rent senior citizens pay for the occupancy of their homes approximates their contribution toward residential property taxes.

2. The legislature therefore declares that:

(a) It is the public policy of this state to provide assistance to its senior citizens who are carrying an excessive residential property tax burden in relation to income.

(b) The purpose of this act is to establish a system of property tax assistance under which county authorities grant tax allowances or rebates to eligible senior citizens and the state underwrites the cost of the assistance to preclude any reduction in local revenues.

Sec. 4. For purposes of this act, the terms listed in sections 5 to 15, inclusive, of this act have the meanings ascribed to them in such sections.

Sec. 5. "Assessment year" means the period used in this state for the recurrent assessment and taxation of property. The period runs from July 1 of one year to and including June 30 of the following year.

Sec. 6. "Claim" means an application for senior citizens' property tax assistance made pursuant to this act, and a "claimant" is one who files such an application.

Sec. 7. "Commission" means the Nevada tax commission.

Sec. 8. "Home" means residential living quarters located in Nevada. The quarters may consist of a single dwelling unit, or a unit which is an integral part of a larger complex such as a multidwelling or a multipurpose building, together with the land upon which the unit is built and any surrounding land, not to exceed 1 acre, as well as outbuildings and facilities reasonably necessary for use of the unit as residential living quarters. The term "home" includes a mobile home.

Sec. 9. "Household" means the association of persons who live in the same home, sharing its furnishings, facilities, accommodations and expenses. The term does not include lessees, tenants or roomers and boarders on contract.

Sec. 10. "Household income" means the income received by a claimant plus the income received by any other person while a member of the claimant's household during all or any part of a calendar year. The "household income" of a claimant whose home is placed upon the secured tax roll is the amount of income his household receives during the calendar year beginning January 1 next preceding the assessment year for which assistance is claimed and ending December 31 within that assessment year. The "household

income" of a claimant whose home is placed upon the unsecured tax roll is the amount of income his household receives during the calendar year ending December 31 next preceding the assessment year for which he claims assistance.

Sec. 11. "Income" means adjusted gross income, as defined in the U. S. Internal Revenue Code, plus the following items: tax-free interest; the untaxed portion of pensions or annuities; railroad retirement benefits; veterans' pensions and compensation; all payments received under the Federal Social Security Act, except Medicare; state and federal old-age assistance; public welfare payments, including shelter allowances; unemployment insurance benefits; all "loss of time" and disability insurance payments; disability payments under workmen's compensation laws; untaxed alimony; support payments; allowances received by dependents of servicemen; the amount of recognized capital gains excluded from adjusted gross income; life insurance proceeds; bequests and inheritances; cash gifts over \$300 not between household members and such other kinds of cash flow into a household as the commission specifies by regulation.

Sec. 12. "Property tax accrued" means the ad valorem property tax liability of a claimant in any assessment year respecting his home, or allocable to his home if it is a unit of a larger complex or part of a larger parcel covered by a single parcel number or property description. The term does not include penalties, interest or special assessments, fees or charges.

Sec. 13. "Rent" means the payment a claimant has made under a bona fide tenancy or leasing agreement solely for the right to occupy his home during any assessment year. The term does not include any amount paid for utilities, fuel or furnishings, nor does the term include payment for food, nursing services or institutional care.

Sec. 14. "Rent deemed to constitute accrued property tax" is 15 percent of the total rent claimant has paid in cash or its equivalent.

Sec. 15. "Senior citizen" means any person who is a resident of this state and will attain the age of 65 years on or prior to the first day of the assessment year for which he submits a claim.

Sec. 16. 1. A senior citizen whose home is placed upon the secured tax roll, who owns and occupies the home from the first day of an assessment year until the day he files his claim in that year and whose household income is not over \$5,000 is entitled to an allowance against the property tax accrued during that year against his home to the extent determined by discounting such tax by the percentage shown opposite his household income range on the schedule below:

<u>INCOME RANGE</u>		<u>PERCENT TAX</u>
<u>If the Amount of</u> <u>Applicant's House-</u> <u>hold Income Is Over</u>	<u>But Not</u> <u>Over</u>	<u>Percent of Claimant's</u> <u>Property Tax Accrued Allow-</u> <u>able as Assistance Is</u>
<u>\$ 0</u>	<u>- \$ 500</u>	<u>90</u>
<u>500</u>	<u>- 1,000</u>	<u>80</u>
<u>1,000</u>	<u>- 1,500</u>	<u>70</u>
<u>1,500</u>	<u>- 2,000</u>	<u>60</u>
<u>2,000</u>	<u>- 2,500</u>	<u>50</u>
<u>2,500</u>	<u>- 3,000</u>	<u>42</u>
<u>3,000</u>	<u>- 3,500</u>	<u>34</u>
<u>3,500</u>	<u>- 4,000</u>	<u>26</u>
<u>4,000</u>	<u>- 4,500</u>	<u>18</u>
<u>4,500</u>	<u>- 5,000</u>	<u>10</u>

2. A senior citizen whose home is placed upon the unsecured tax roll, who owns and occupies the home from January 1 until the day he files his claim in the same year and whose household income is not over \$5,000 is entitled to an allowance against the personal property tax which accrues against his home in the next following assessment year to the extent determined by discounting such tax in accordance with the schedule in subsection 1.

Sec. 17. A senior citizen who rents and occupies his home for an entire assessment year, who remains in the same home for at least 6 months of that year and whose household income is not

over \$5,000 is entitled to a percentage discount of that portion of his annual rent deemed to constitute accrued property tax. The percentage discount to be used for a particular home-renting claimant is shown opposite his household income range on the schedule in section 16 of this act.

Sec. 18. For any assessment year, the amount of assistance granted under this act shall not exceed the claimant's residential property tax liability or the amount of \$300, whichever is the lesser.

Sec. 19. 1. A claim may be filed with the assessor of the county in which the claimant's home is located.

2. The claim shall be made under oath or affirmation and filed in such form and content, and accompanied by such proof, as the commission may prescribe pursuant to this act.

Sec. 20. 1. A claim of a homeowner whose home is placed upon the secured tax roll may be filed between January 15 and March 15, inclusive, of each assessment year as to which he seeks assistance.

2. A claim of a homeowner whose home is placed upon the unsecured tax roll may be filed between January 15 and March 15, inclusive, next preceding each assessment year as to which he seeks assistance.

3. A claim of a home renter may be filed between July 1 and August 15, inclusive, next following the assessment year during which he occupied and rented his home.

Sec. 21. The county assessor shall examine each claim, granting or denying it, and if granted, shall determine the percentage discount to which the claimant is entitled.

Sec. 22. By not later than May 1 of the assessment year, the county assessor shall furnish the auditor of his county with a statement showing the property description or parcel number, name and address of claimant, and the percentage discount for each claim granted for the assessment year under subsection 1 of section 16 of this act to a claimant whose home is placed upon the secured tax roll.

Sec. 23. 1. After the county auditor extends the secured tax roll, he shall adjust the roll to show the percentage discounts, the dollar allowances and the amounts of tax, if any, remaining due as a result of homeowners' claims granted under subsection 1 of section 16 of this act.

2. By not later than June 1 of the assessment year, the county auditor shall deliver the extended tax roll, so adjusted, to the ex officio tax receiver of the county and shall also send the commission a statement itemizing the adjustments.

Sec. 24. 1. The ex officio tax receiver of the county shall make such corresponding adjustments to the individual property tax bills, prepared from the secured tax rolls, as are necessary to notify the homeowners of the allowances granted them under subsection 1 of section 16 of this act.

2. After June 1, but not later than June 15, of each assessment year, the ex officio tax receiver shall send a demand to the commission for reimbursement of his county in the aggregate amount of the such homeowners' allowances granted for that year.

Sec. 25. 1. After granting the claim of a homeowner whose home is placed upon the unsecured roll, the county assessor shall determine the amount of assistance to be allowed the claimant under subsection 2 of section 16 of this act and shall credit the claimant's individual property tax account accordingly.

2. The county assessor shall send the commission a statement itemizing the allowances furnished to each such claimant for each assessment year and shall demand reimbursement of the county in the aggregate amount of the allowances.

Sec. 26. Upon granting a home renter's claim, the county assessor shall apply the appropriate percentage discount to the portion of the claimant's annual rent deemed to constitute accrued property tax, determining the dollar amount of assistance to which he is entitled. By not later than October 1 next following each assessment year, the county assessor shall send the commission a statement containing the name and address of each claimant granted assistance on a home renter's claim for the year, showing the dollar amount to which he is entitled and providing such further information as the commission may prescribe.

Sec. 27. 1. Funds to pay for assistance granted to senior citizens under this act shall be provided by legislative appropriation from the general fund in the state treasury. The moneys so appropriated shall be deposited in an account in the general fund to be known as the senior citizens' property tax assistance account.

2. Such funds as may be required for the administration of this act at the state and county levels shall be provided by legislative appropriation from the general fund as a budgeted part of the appropriation for support of the commission, and the commission shall apportion the funds for its own use and the use of the counties.

Sec. 28. 1. Upon verification and audit of each statement from a county concerning homeowners' claims granted for an assessment year, the commission shall authorize reimbursement of the county by the state.

2. The reimbursement shall be paid out of the funds appropriated to the senior citizens' property tax assistance account, in the same manner as other moneys in the state treasury are disbursed.

3. The reimbursement due on a statement submitted under subsection 2 of section 23 of this act shall be authorized by the commission not later than July 31 next following the assessment year for which the allowances were granted. Warrants for such reimbursement shall be issued to the ex officio tax receiver of the county not later than August 15 of each such year.

4. The reimbursement due on a statement submitted under subsection 2 of section 25 of this act shall be authorized promptly by the commission. Warrants for such reimbursement shall be issued to the county assessor.

Sec. 29. Upon verification and audit of each county assessor's statement of home renters' claims granted for an assessment year, and not later than November 15 next following that year, the commission shall authorize the claims to be paid by the state from the funds appropriated to the senior citizens' property tax assistance account, in the same manner as other moneys in the state treasury are disbursed. Warrants for the amounts determined to be due on the home renters' claims shall be issued directly to the individual claimants.

Sec. 30. Only one member of each household may file a claim for an assessment year. If more than one member is eligible to claim, any one of the eligible members may file the claim with the written consent of the others. If such consent is not obtainable, the claim may be filed only if criteria regulating such a circumstance have been prescribed by the commission.

Sec. 31. When a claimant is one of the concurrent owners, or coowners, of his home, the amount of the property tax accrued which may be used to calculate his allowance is the part of such tax proportionate to his interest as an owner plus the interest of any other concurrent owner, or coowner, who is a member of claimant's household.

Sec. 32. A claimant may receive assistance under this act even though such claimant also receives a property tax exemption as a widow, blind person or veteran.

Sec. 33. No right to assistance under this act survives the death of the claimant except where his claim has been submitted prior to death.

Sec. 34. 1. The commission is responsible for the overall administration of this act.

2. The commission may:

(a) Specify by regulation any "other kinds of cash flow into a household" for the purpose of section 11 of this act.

(b) Prescribe the content and form of claims.

(c) Designate the kind of proof to be required for substantiation of claims.

(d) Establish criteria for determining when a claim may be filed by one eligible person without the consent of all others eligible in the same household for the same assessment year.

(e) Prescribe that a claimant's ownership of his home must be shown of record.

(f) Provide by regulation that a vendee in possession of his home under an installment sale contract and responsible for paying the property taxes on the home is eligible to claim assistance as a homeowner.

(g) Limit the computation of benefits to the nearest dollar and limit issuance of warrants to \$5 or over.

(h) Verify and audit any claims, statements or other records made pursuant to this act.

(i) Adopt and promulgate regulations to safeguard the confidentiality of information supplied by claimants.

(j) Provide by regulation for a limited extension of time to file a claim in cases of hardship.

(k) Adopt and promulgate such other regulations as may be required to effectuate the purposes of this act.

Sec. 35. 1. Any claimant aggrieved by a county assessor's decision which denies assistance claimed under this act may have a review of the denial before the commission if within 30 days after the claimant receives notice of the denial he submits a written petition for review to the commission.

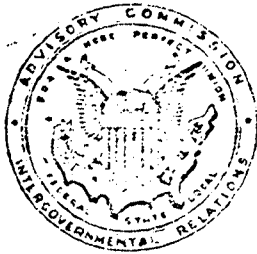
2. All functions of the commission under this act are subject to the Nevada Administrative Procedure Act (chapter 233B of NRS).

Sec. 36. No person may publish, disclose or use any personal or confidential information contained in a claim except for purposes connected with the administration of this act.

Sec. 37. Any grant of assistance under an improper claim may be revoked by the county assessor or commission within 2 years after the filing of the claim. When a grant is revoked, the claimant shall make restitution to the state for any assistance he has received under the improper claim, and the state shall

take all proper action to collect the amount of the assistance as a debt.

Sec. 38. Any person who in order to secure for himself or another the assistance provided in this act willfully makes a materially false statement is guilty of a gross misdemeanor.



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

June 29, 1972

Honorable B. Mahlon Brown
Nevada State Senate
First National Bank Building
302 East Carson Street
Las Vegas, Nevada 89101

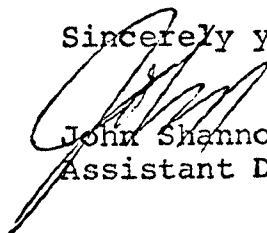
Dear Senator Brown:

I am forwarding to you the materials developed by our staff in connection with the estimates you requested on the cost of a circuit-breaker for Nevada. The alternatives developed range from the "Wisconsin-type" at a cost of about \$250,000 to the "Minnesota" plan at a cost approximating \$575,000. In addition, the summary tables, will probably suggest other areas which you may want to tailor to your budgetary situation.

You will note that we consulted a number of people in Nevada as to reasonableness of the data that underpin our estimates.

If you have any questions on any of the materials, contact Lillian Rymarowicz, Jack Jaffe or me.

Sincerely yours,


John Shannon
Assistant Director

Enclosures



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

June 29, 1972

MEMORANDUM

TO: John Shannon, Assistant Director
Advisory Commission on Intergovernmental
Relations

FROM: Lillian Rymarowicz

SUBJECT: Estimated Costs of "Circuit-breaker"
Provisions for Nevada

After a month of elapsed time and twelve complete days of work on the topic, we finally have alternative cost estimates for a circuit-breaker in Nevada. As indicated by the attached worksheets, and by the description of the derivation of the estimates, much effort was expended in obtaining data which supplemented the basic statistics provided by the special Census tabulations. In addition, the worksheets were devised in sufficient detail to allow any other modifications of the three basic models used--Minnesota, Wisconsin, and Vermont.

Our compilations indicate that Nevada provisions patterned on Wisconsin would bear the lowest price tag--at about \$250,000. On the other hand, the Minnesota pattern would require expenditures more than twice as great as those in Wisconsin. Finally, the Vermont-type assistance would cost about 50 percent more than Wisconsin. Summary table I below details these costs by income brackets for both the property taxpayers and for the renters' component of property taxes paid.

TABLE 1 Summary of Costs to Nevada of Residential Property Tax Relief for Homeowners 65 years
of age and over (The "Circuit-Breaker")

	"Wisconsin Formula"	"Minnesota Formula"	"Vermont Formula"
Total costs--all income groupings	\$ 52,132	\$ 572,464	\$ 388,841
Homeowners	193,172	401,739	361,287
Incomes under \$1,000	39,264	36,646	24,350
" 1,000 - 1,499	50,930	76,500	76,951
" 1,500 - 1,999	66,174	114,405	98,073
" 2,000 - 2,499	51,945	90,225	81,607
2,500 - 2,999	51,945	67,793	62,203
3,000 - 3,499	4,071	16,170	18,103
3,500 - 3,999	4,071	---	---
4,000 - 4,999	788	---	---
Renters	58,960	170,725	27,554
Incomes under \$1,000	27,792	20,752	16,728
" 1,000 - 1,499	31,168	45,537	10,826
" 1,500 - 1,999	---	55,196	---
" 2,000 - 2,499	---	23,782	---
" 2,500 - 2,999	---	16,289	---
" 3,000 - 3,499	---	9,169	---

Reference to summary table 2 yields comparison of assistance provided in each income bracket under each type of plan. It will be noted that all three formulas would provide assistance to all homeowners and renters having annual household incomes under \$1,000.

Also attached is an up-to-date table of State circuit-breaker provisions.

PERSONS ELIGIBLE FOR CREDIT COMPARED TO TOTAL NUMBER IN INCOME GROUPING

	Total Number in Category	Total Number Receiving Credit Wisconsin Formula	Minnesota Formula	Vermont Formula
Homeowners--Total	13,698	3,204	6,218	4,257
Incomes under \$1,000	800	800	800	800
" \$1,000 - \$1,499	846	780	846	780
" \$1,500 - \$1,999	1,571	929	1,571	929
" \$2,000 - \$2,499	1,076	256	1,076	784
" \$2,500 - \$2,999	1,213	288	1,213	647
" \$3,000 - \$3,499	712	25	712	317
" \$3,500 - \$3,999	684	21	0	0
" \$4,000 - \$4,999	1,073	105	0	0
Incomes over \$5,000	5,723	0	0	0
Renters --Total	7,207	1,791	4,269	1,708
Incomes under \$1,000	859	859	859	842
" \$1,000 - \$1,499	1,010	932	1,010	866
" \$1,500 - \$1,999	1,094	0	1,094	0
" \$2,000 - \$2,499	477	0	477	0
" \$2,500 - \$2,999	387	0	387	0
" \$3,000 - \$3,499	442	0	442	0
Incomes over \$3,500	2,938	0	0	0

Exhibit - Howard

STATES WHICH USE THE TAX CREDIT - TAX REBATE SYSTEM OR CIRCUIT-BREAKERS

State	Beneficiaries Description	Income Ceiling	Percent of Annual Rent	Tax Relief Formula	Form of Abatement and Estimated Per Capita Cost	Date of Adoption	Statutory Citation
Wisconsin	Homeowners & renters 62 and older ^{1/}	\$5,000	25%	"See footnote 1"	State income tax credit or rebate Cost - \$1.53 (1970-71)	1964	Chap. 71, Sec. 71.09(7)
Minnesota	Homeowners & renters 65 and older	\$5,000	20%	Percent of relief ranges are based on household income. Relief declines as household income increases.	State income tax credit or rebate Cost - \$0.50 (1968) (This aid is in addition to a general State-financed property tax relief that approximates 35% of the homeowner's tax bill)	1967	Chap. 290, Sec. 290.0601 et seq.
California	Homeowners age 62 & older; no relief for renters	\$10,000	—	Relief ranges from 96% of tax payment on first \$7,500 of value if household income is less than \$1,000 to 4% of tax payment if household income is \$10,000.	State rebate only Cost - \$0.40 (1969)	1967	Revenue & taxation code Div. E., Sec. 19501 et seq.
Vermont	Homeowners & renters age 65 & older	Not explicit. Implicit unit is \$4,286	30%	Relief limited to that part of tax payment in excess of 7% of household income times a local rate factor that varies by tax rate of local community ^{2/}	State income tax credit or rebate Cost - \$1.25 (1969)	1969	H. B. 222
Kansas	Homeowners age 65 & older; no relief for renters	\$3,700	—	Same as Wisconsin tax relief formula used in 1970-71.	State income tax credit or rebate Cost - NA	1970	H. B. 1253
Oregon	Homeowners only - no age restraint	None	—	Relief based on amount by which property taxes exceed percentage of household income. The % ranges from 3% on income up to \$1,500 (max. relief \$400) to 7% for income in excess of \$8,000 (max. relief \$100) ^{4/}	Taxpayers initial tax bill is reduced by the amount of relief granted by the Dept. of Revenue and the Dept. pays to the counties the amount of relief granted, or alternatively taxpayers may claim state income tax credit.		Ch. 747 (H.B. 1639)

TABLE 1: (Continued)

STATES WHICH USE THE TAX CREDIT - TAX REBATE SYSTEM OR CIRCUIT-BREAKERS

State	Beneficiaries Description	Income Ceiling	Percent of Annual Rent	Tax Relief Formula	Form of Abatement and Estimated Per Capita Cost	Date of Adoption	Statutory Citation
Colorado	Homeowners & renters age 65 & older	\$2,400 single \$3,700 married (In addition, net worth during year must be less than \$20,000).	10%	Relief limited to 50% of the tax payment and cannot exceed \$200. The credit or refund is reduced by 10% of income over \$500 for individuals & 10% of income over \$1,800 for husband and wife. 3/	State income tax credit or rebate Cost - NA	1971	Chap. 138 Secs. 138 1-20 & 21
Idaho	Homeowners & renters age 65 & older for males and 62 & older for females (At least 35% of household income must be attributable to claimant)	\$4,000 (In addition, net assets must not exceed \$30,000)	20%	Relief equal to 7% of the difference between household income and \$4,000. Limited to the total property tax levied.	State rebate only Cost - NA	1971	Title 36, Chap. 901, Secs. 6101 6120
New Jersey	Homeowners age 65 & older	\$5,000 (exclusive of social security benefits)	--	Deduction from tax bill of \$160 or amount of tax liability whichever is less.	Reduction of tax bill. One half of cost of deduction reimbursed to municipality by the State Cost - NA	1953 (local) 1971 (State-local)	Ch. 172 (Laws 1968 Sec. 54.4-8.40 - 54.4-8.51 Ch. 20 (Laws 1971)
Pennsylvania	Homeowners age 65 & over; Widows age 50 & over; permanently disabled persons	\$7,500	--	Relief ranges from 100% of tax (max. \$200) when household income is less than \$1,000 to 10% where such income is between \$6,000 and \$7,500.	State rebate only Maximum cost to state cannot exceed \$60 million. Excess will be prorated.	1971	Act No. 3 H.B. 192
Washington	Homeowners 65 & older or totally disabled	\$4,000	--	Deduction from tax bill of \$125 or amount of tax liability whichever is less.	Reduction of tax bill. Cost of deduction paid by State to each taxing district	1967	Ch. 356 (Laws 1967) Ch. 1208 (Laws 1970) H.F. 654 (Laws 1971)
West Virginia	Homeowners & renters age 65 & older	\$5,000	12%	Relief based on ratio of property tax to household income. Property taxes exceeding a given percent of household income is remitted. These percents range from 0.5% to 4.5%. Tax relief is limited to \$125.	Direct state payment	1972	Art. 25 Sec. 2,3

TABLE 1: (Continued)

STATES WHICH USE THE TAX CREDIT - TAX REBATE SYSTEM OR CIRCUIT-BREAKERS

State
New Mexico Applicable to tax years beginning on or after January 1, 1972, a resident individual filing a return and not claimed as a dependent is entitled to a credit for state and local taxes to which he has been subject during the tax year for which the return is filed. Taxpayers filing separately for a tax year in which they could have filed jointly may each claim only one-half of the credit allowable on the joint return. The credit may not be claimed by residents who were inmates of a public institution for more than six months of the tax year or by persons not physically present in the state for at least six months during the tax year. If the credit exceeds the taxpayer's income tax liability the excess will be refunded. The amount of the credit is as follows and is deductible from the taxpayer's income tax liability, if any (Ch.20, Laws 1972; Sec.72-15A-11.1: Modified Gross Income means all income, undiminished by losses, and from whatever source derived.

Modified Gross Income		Total Exemptions for Federal Purposes					
Over	Not Over	1	2	3	4	5	6 or More
....	\$ 500	\$20	\$21	\$22	\$26	\$27	\$41
\$ 500	999	25	26	28	34	36	56
1,000	1,499	26	32	37	48	52	85
1,500	1,999	19	28	38	55	63	107
2,000	2,499	...	15	32	56	68	123
2,500	2,999	...	...	19	49	67	131
3,000	3,499	...	...	...	37	60	133
3,500	3,999	...	...	...	18	48	128
4,000	4,499	...	...	...	...	30	115
4,500	4,999	...	...	...	...	6	96
5,000	5,499	...	...	...	...	...	71
5,500	5,999	...	...	...	...	...	39

Footnotes:

1/

Household Income	Income Constraints	Percent Relieved
\$ 0 - \$1,000	0%	75%
1,000 - 1,500	.05	60
1,500 - 2,000	.10	60
2,000 - 5,000	.14	60

a) The Income constraint column indicates that the real estate taxes become an excessive burden in terms of household income when taxes or 25% of rent in lieu of taxes is in excess of the stated percents. 60% of the amount in excess of these stated percentages is relieved if household income exceeds \$1,000. Program coverage is extended at age 60 or older to those totally and permanently disabled.

2/ The Commissioner shall annually prepare and make available the local rate factors by arraying all municipalities according to their effective tax rate and dividing the population of the State into quintiles from such array with those having the lowest effective tax rates being in the first quintile. The local rate factors shall be as follows: first quintile, 1.0; second quintile, 1.1; third quintile, 1.2; fourth quintile, 1.3; fifth quintile, 1.4. The amount of property taxes or rent constituting property taxes used in computing the credit are limited to \$300 per taxable year.

3/ Net worth test of \$20,000.

4/ Persons born before March 1, 1891, with an income not over \$3,000 are entitled to relief of the total amount of property taxes on their homestead up to a maximum of \$400:

On any Amount of Household Income Exceeding	But Not Exceeding	Fixed Percentage	Maximum Relief
\$ 0 -	\$1,500	3%	\$400
1,500	3,000	4	400
3,000	4,500	5	300
4,500	6,000	6	300
6,000	8,000	7	200
8,000 and over	---	7	100

DERIVATION OF ESTIMATES

Published data for Nevada generated by the 1970 U. S. Census of Population do not include a cross reference for household heads 65 years of age or more, by household income and valuation of residence or by the amount of annual rental payment relative to household income. Such information, however, was obtained by ACIR from a special tabulation by the Census Bureau of data reported on the housing segment of the 1970 Census. The tables provided household incomes at the following intervals: Less than \$3,000; \$3,000 to \$4,999; \$5,000 to \$6,999; \$7,000 to \$9,999; \$10,000 to \$14,999; \$15,000 to \$24,999 and \$25,000 or more. (Exhibit I summarizes these data for heads of households owning their own home by type of household while Exhibit II summarizes the same data for renters.) Thus, in order to apply to Nevada the experience of States which presently provide some form of property tax remissions for persons 65 years of age or more, it was necessary to develop estimates of household income at \$500 intervals. Although State-by-State data have been assembled in the compendium on housing prepared for the 1971 White House Conference on Aging, the information was in essentially the same income brackets as the special tabulation. National aggregates, however, were developed in this study for total incomes under \$1,000 and for each \$500 interval up to \$4,000 for

for families and for unrelated individuals. These ratios were applied within the income grouping totals reported by the Census Bureau. In order to check on any unusual patterns in the Nevada senior citizen population, we called the Division of Aging Services in Carson City, Nevada. Mr. Roanhouse was not able to locate any State generated data which could be used to evaluate either the low income distribution or the income patterns of mobile home families. Those of the staff whom he contacted were of the opinion that ACIR's distributions appeared reasonable according to their perception. Parenthetically, this respondent noted that the "senior citizen situation in Nevada is just now beginning to be noticed as people move in from California and the mobile home park developments for retired people continue to expand." The 1970 Census showed Nevada to have the third highest rate of increase in the 65 years of age and more brackets in the U. S. as a whole during the 1960-70 decade. Despite this growth, persons 65 years of age and more constituted 6.3 percent of the total population in 1970 as compared to 9.9 percent nationwide.

Information from the 1970 Census of Housing does not cover owners and renters of mobile homes and trailer units nor does it cover occupants of cooperatives or condominiums. The latter category (under 500 units in Nevada) is of

negligible significance for this study; the former, however, is important since there were 15,366 owner occupied and 3,477 renter occupied mobile home units in the State in 1970.

Very little information is available on the characteristics of mobile home households headed by persons 65 years of age or older either for individual States or for national aggregates. For example, the 1968 study by the U. S. Department of Housing and Urban Development indicated that 22 percent of "mobile home household heads are 55 years of age or older." Three Nevada respondents to telephone inquiries were of the opinion that "85 percent," "two-thirds," or "one-half" of all mobile homes in the State are owned or occupied by senior citizens. An analysis of the total number of persons over 65, a compilation of persons over 65 in group quarters,^{1/} and a comparison of total number of households in the State indicated that "one-third" would constitute a more reasonable estimate. Income patterns were assumed to be consistent with levels over \$5,000 as reported in the HUD study; the residual was distributed on the same basis as that for the total 65 years of age and more segment derived from the 1970 Census of Housing.

^{1/} The number in this category is 2,006 and includes 1,131 in old age and nursing homes, 377 in Indian housing, 300 in institutions and 198 in all other group quarters. All of these are excluded from the estimates in these tabulations.

Valuation

The 1970 Census data are limited to owner occupied one-family homes on less than ten acres of land without commercial establishment or medical office on the property. Valuations shown are estimates given by respondents of how much the property (house and lot) would sell for if it were for sale. ACIR staff estimated the mobile home valuations from retail sales data by size of model purchased during the ten year period from 1960 to 1970. (See table attached.) Attempts to tailor the data to Nevada were not completely successful. The contact suggested by the deputy assessor of Clark County in turn recommended an individual active in a local "Committee on Aging." This respondent (Mr. Wilde) advised that the typical mobile home sold for \$8,500 and that the typical income was under \$2,000. It was not possible, however, to reach Mr. David Hoy, Legal Counsel for the Trailer Coach Association, who has offices in Reno, Nevada. (After several calls, a description of the request was left with his secretary but a return call was not received.)

Percent distribution of value of mobile homes
in Nevada based on sales data by size model
1960-70 supplied by National Mobile Home
Manufacturers' Association, Chantilly, Virginia

Total All Models	<u>100.0%</u>
Less than \$5,000	15.0
5,000 to 9,999	33.2
10,000 to 14,999	28.7
15,000 to 19,999	8.2
20,000 to 24,999	7.1
25,000 to 34,999	4.5
35,000 and more	3.3

Tax Due

The figure here is obtained by multiplying the midpoint of the assessed valuation range given by the effective rate of 1.5 percent. The effective rate represents a rounding of the 1.48 figure reported by the U. S. Federal Housing Administration as applicable to the average value of middle income homes. (See page 234 of the ACIR publication State-Local Finances: Significant Features and Suggested Legislation, 1972 edition.)

One of our respondents, Mr. Byrne, the Deputy Assessor of Clark County, felt this rate to be a fair estimate. He said that the current nominal rates in his jurisdiction range from \$3.80 to \$5.00 and average \$4.60 which at 35 percent valuation is "within the ball park" of the FHA estimate. Furthermore, a typical home in Clark County, according to him, would have a market value of \$22,000. This is also in line with the FHA estimate.

Rental Units

Data on rental units in the accompanying tabulations exclude from the Census total the households occupying rental units for considerations other than cash payment. Rentals of mobile homes, however, have been added to the Census total.

Following is the number of "no cash rentals" related to the total households headed by persons 65 years of age and more.

Household income	Household heads 65 years or more	No cash rentals	Percent of total
All incomes	7,260	916	12.6%
Less than \$3,000	3,940	603	15.3
\$3,000 - \$4,999	1,284	123	9.6
\$5,000 - \$6,999	736	96	13.0
\$7,000 - \$9,999	477	43	9.0
\$10,000 - \$14,999	439	29	6.6
\$15,000 - \$24,999	174	11	6.3
\$25,000 - or more	210	11	5.2

Estimated property tax accruals to heads of households, 65 years of age and older owning their residence, by type of household -
1970 Census of Housing - Nevada

Home owners		Married-wifepresent		Other male head		Female head		All households-total	
Household income and value of home		Number	Property taxes accrued	Number	Property taxes accrued	Number	Property taxes accrued	Number	Property taxes accrued
Income under \$3,000									
Value range	Net profit due								
Less than \$400	\$2,500	60	2,250	112	4,200	74	3,525	266	9,975
\$400-999	7,500	129	14,512	92	10,350	268	30,150	489	55,012
1,000-14,999	12,500	171	32,063	56	10,500	346	64,875	573	107,431
15,000-19,999	17,500	205	53,815	72	18,900	400	105,000	677	177,715
20,000-24,999	22,500	137	46,258	39	13,162	201	67,832	377	127,238
25,000-34,999	30,000	132	59,400	25	11,250	139	62,550	296	133,200
35,000 and more	42,500	94	59,925	22	14,025	94	59,925	210	133,875
Total		928	262,251	418	22,337	1,542	397,733	2,888	783,451
Income 3,000-4,999									
	37,500	20	750	11	413	29	1,088	60	2,251
	112,500	69	7,763	33	3,713	37	4,162	139	15,628
	187,500	205	32,438	28	5,250	19	2,563	252	47,251
	262,500	231	60,658	45	11,812	111	29,126	387	101,588
	337,500	189	63,788	38	12,825	92	31,150	319	107,663
	450,000	122	54,900	20	9,000	83	37,350	225	101,250
	637,500	88	56,100	12	7,650	29	18,486	129	22,236
Total		924	282,377	187	50,663	400	124,751	1,511	457,879
Income 5,000-6,999									
	37,500	5	188	6	225	12	450	23	863
	112,500	44	4,950	12	1,350	15	1,688	71	7,988
	187,500	156	29,250	5	938	20	3,750	181	53,938
	262,500	160	42,000	22	5,775	49	13,862	231	60,637
	337,500	166	56,025	15	5,662	47	15,863	228	76,450
	450,000	72	32,400	9	4,050	39	17,550	120	54,000
	637,500	62	39,525	4	2,550	17	10,236	83	32,913
		665	204,338	73	19,950	197	63,101	937	227,227
7,000 and over income		2,315	877,612	221	12,157	450	177,152	2,986	1,066,921
All income over \$5		4,232	1,087,126	879	225,157	2,591	754,156	8,532	2,666,500

Estimated annual rentals for households headed by 65 years of age or older
by type of household - 1970 Census of Housing data - Nevada

Renters											
Income	Percent annual rent	Annual rent	Male head, wife present, no restriction	Other two or more persons household	One person households	Total all households					
less than \$5,100	(1500)		Number	Annual Rent	Number	Annual Rent	Number	Annual Rent	Number	Annual Rent	
	5	75	5	375	0	0	0	0	5	375	
	12	120	0	0	0	0	12	2,160	12	2,160	
	17	255	0	0	0	0	41	10,455	41	10,455	
	22	330	10	3,300	0	0	110	36,300	120	39,600	
	29.5	443	62	27,466	22	9,746	381	168,783	465	209,995	
	40	600	437	2,622,000	152	91,200	2,105	1,265,000	2,634	1,616,400	
	no cash	0	96	0	56	0	451	0	603	0	
			610	2,922,341	220	1,02,946	3,100	1,480,699	3,740	1,874,995	
3,200 - 5,100	(4,000)										
	5	200	0	0	0	0	0	0	0	0	
	12	480	12	5,760	5	2,400	17	8,160	34	16,320	
	17	680	22	14,960	5	3,400	52	35,360	79	53,720	
	22	820	62	50,960	16	14,080	102	83,760	180	152,800	
	29.5	1,120	149	175,820	9	10,020	136	163,480	274	349,320	
	40	1,600	212	4,192,000	64	1,02,400	248	3,98,200	574	9,19,400	
	no cash	0	58	0	16	0	49	0	123	0	
			565	6,79,200	115	1,32,800	644	6,90,560	1,284	1,475,720	
5,200 - 6,999	(6,000)										
	5	500	0	0	0	0	10	3,000	10	3,000	
	12	720	11	7,920	0	0	25	18,000	36	25,920	
	17	1,020	46	46,920	0	0	74	75,480	120	122,400	
	22	1,320	68	89,760	4	5,280	56	73,920	128	168,960	
	29.5	1,770	100	1,770,000	36	63,720	83	1,46,910	219	3,97,530	
	40	2,400	46	1,10,400	10	24,000	71	1,70,400	127	3,04,800	
	no cash	0	55	0	4	0	37	0	96	0	
			326	4,32,000	54	92,000	254	487,710	755	1,013,710	
Partials - gives all income categories										7,207	7,434,510
Less than 3,000										3,827	2,057,534
3,000 - 4,999										1,245	1,564,620
5,000 - 6,999										673	1,046,440
7,000 - 9,999										526	902,636
10,000 - 14,999										497	818,775
15,000 - 24,999										198	427,400
25,000 and over										241	524,175

Table I

Page 1

Estimated property tax accruals to heads of households 65 years of age or older in Florida for 1970 and estimated credit against property taxes accrued assuming State of Wisconsin provisions.

Census of Housing *			Mobile homes *		All home owners *		
Household income and Value of property Range	Tax Due	Number	Property taxes accrued	Number	Property taxes accrued	Number	Property taxes accrued
Less than \$500 (midpoint \$250)		274	\$ 26,527	526	\$ 31,715	800	\$ 32,353
500-9,999 2,500 37.50		191	7,113	463	15,112	574	22,215
10,000-14,999 7,500 112.50		43	4,526	89	16,613	132	14,751
15,000-19,999 12,500 187.50		25	4,612	31	5,312	56	16,500
20,000-24,999 17,500 262.50		15	3,952	3	788	18	4,726
25,000-29,999 22,500 337.50		—	—	—	—	—	—
30,000-34,999 27,500 412.50		—	—	—	—	—	—
35,000 and over 42,500 487.50		—	—	—	—	—	—
Less than \$5,000 of income (midpoint \$2,500)		1,623	257,371	1,214	181,713	2,417	453,013
5,000-9,999 2,500 37.50		60	2,250	127	4,262	187	7,012
10,000-14,999 7,500 112.50		260	21,250	543	61,632	803	90,337
15,000-19,999 12,500 187.50		246	14,815	421	78,938	567	143,813
20,000-24,999 17,500 262.50		260	14,500	77	29,737	459	115,238
25,000-29,999 22,500 337.50		133	11,817	35	11,812	168	56,700
30,000-34,999 27,500 412.50		25	15,220	7	3,150	42	18,160
35,000 and over 42,500 487.50		9	5,737	2	1,275	11	7,012
Less than \$5,000 of income (midpoint \$2,500)		1,411	412,575	878	173,739	2,287	633,714
5,000-9,999 2,500 37.50		15	532	31	1,162	46	1,724
10,000-14,999 7,500 112.50		186	21,125	389	43,713	575	64,638
15,000-19,999 12,500 187.50		262	17,915	245	45,732	447	83,213
20,000-24,999 17,500 262.50		302	17,415	67	17,527	369	96,863
25,000-29,999 22,500 337.50		244	22,250	64	21,600	307	103,950
30,000-34,999 27,500 412.50		261	17,450	49	22,050	310	139,500
35,000 and over 42,500 487.50		201	11,152	33	21,032	234	149,766
Less than \$5,000 of income (midpoint \$2,500)		777	217,115	598	98,640	1,396	317,165
5,000-9,999 2,500 37.50		45	1,652	95	2,512	140	5,250
10,000-14,999 7,500 112.50		101	11,363	211	23,738	312	35,101
15,000-19,999 12,500 187.50		145	27,128	178	33,375	223	60,563
20,000-24,999 17,500 262.50		228	24,600	46	12,075	254	66,675
25,000-29,999 22,500 337.50		171	17,713	45	15,183	216	72,901
30,000-34,999 27,500 412.50		89	11,650	16	7,200	105	47,250
35,000 and over 42,500 487.50		39	11,113	7	4,462	46	29,325
Less than \$5,000 of income (midpoint \$2,500)		713	247,444	360	78,932	1,073	319,352
5,000-9,999 2,500 37.50		15	563	31	1,162	46	1,765
10,000-14,999 7,500 112.50		36	11,363	80	9,100	118	13,275
15,000-19,999 12,500 187.50		107	20,663	131	24,563	238	44,626
20,000-24,999 17,500 262.50		179	14,188	37	10,233	218	57,226
25,000-29,999 22,500 337.50		148	11,450	39	13,163	187	63,113
30,000-34,999 27,500 412.50		126	11,200	25	11,200	161	72,450
35,000 and over 42,500 487.50		91	12,375	15	9,562	105	66,957

* See text for description of coverage.

† Standard provisions effective for tax year 1972 allow 75 percent credit (or refund) of total property taxes accrued.

‡ See page 10 for description of coverage. For the former credit is 60% of tax portion in excess of five percent of household income up to \$500 in the accrual; for the latter, 60% of tax portion in excess of five percent of household income up to \$500 in the accrual.

§ For households income up to \$5,000, the credit is 60 percent of tax portion in excess of 14 percent of income up to \$500 in the accrual.

			Census of Housing *		Mobile homes *		All home owners		Wisconsin Formula tax credit
Head of household and value of property	Range	Midpoint	Number	Property taxes accrued	Number	Property taxes accrued	Number	Property taxes accrued	
Less than \$5,000	2,500	37.50	528	169,013	329	63,513	857	223,576	
\$5,000 - 9,999	7,500	112.50	181	675	38	4,425	56	2,400	
10,000 - 14,999	12,500	187.50	40	4,570	84	9,450	124	13,950	
15,000 - 19,999	17,500	262.50	103	19,313	125	23,957	228	42,751	
20,000 - 24,999	22,500	337.50	130	34,165	29	7,612	159	41,731	
25,000 - 29,999	27,500	412.50	125	42,187	33	11,138	158	53,326	
30,000 - 34,999	32,500	487.50	65	22,570	12	5,400	77	34,650	
35,000 and over	37,500	637.50	47	52,750	8	5,100	55	35,662	
Less than \$5,000 of income (midpoint 5,500)	2,500	37.50	429	129,500	235	48,717	644	178,292	
\$5,000 - 9,999	7,500	112.50	5	183	10	275	15	563	
10,000 - 14,999	12,500	187.50	31	3,488	64	7,260	95	10,688	
15,000 - 19,999	17,500	262.50	78	14,635	96	18,000	174	37,625	
20,000 - 24,999	22,500	337.50	101	26,512	22	5,775	123	32,087	
25,000 - 29,999	27,500	412.50	103	34,762	27	9,112	130	43,874	
30,000 - 34,999	32,500	487.50	65	22,200	10	4,500	65	31,500	
35,000 and over	37,500	637.50	36	23,750	6	3,725	41	26,775	
Less than \$10,000 of income (midpoint 8,500)	2,500	37.50	1,003	316,766	556	113,101	1,559	429,827	
\$10,000 - 14,999	12,500	187.50	12	450	25	938	37	1,388	
15,000 - 19,999	17,500	262.50	98	11,025	205	23,062	303	34,087	
20,000 - 24,999	22,500	337.50	132	24,750	161	36,182	293	54,938	
25,000 - 29,999	27,500	412.50	221	75,715	62	16,275	343	90,038	
30,000 - 34,999	32,500	487.50	204	42,850	53	17,888	257	86,733	
35,000 - 39,999	37,500	562.50	203	91,350	38	17,100	241	103,450	
40,000 and over	42,500	637.50	73	44,537	12	7,650	85	54,188	
Less than \$10,000 of income (midpoint 12,500)	2,500	37.50	976	321,113	311	102,213	1,337	483,376	
\$10,000 - 14,999	12,500	187.50	11	413	23	862	34	1,275	
15,000 - 19,999	17,500	262.50	34	3,825	72	8,100	106	11,925	
20,000 - 24,999	22,500	337.50	99	18,563	120	22,500	219	41,063	
25,000 - 29,999	27,500	412.50	244	64,050	54	14,175	298	78,225	
30,000 - 34,999	32,500	487.50	163	55,012	43	17,513	206	69,525	
35,000 - 39,999	37,500	562.50	237	146,650	44	17,800	281	126,450	
40,000 and over	42,500	637.50	208	15,100	35	23,315	243	154,913	
Less than \$10,000 of income (midpoint 20,000)	2,500	37.50	624	201,422	195	62,701	879	354,187	
\$10,000 - 14,999	12,500	187.50	10	375	21	788	31	1,163	
15,000 - 19,999	17,500	262.50	8	700	16	1,800	24	2,700	
20,000 - 24,999	22,500	337.50	24	4,500	29	5,438	53	9,938	
25,000 - 29,999	27,500	412.50	154	49,425	34	8,925	188	49,350	
30,000 - 34,999	32,500	487.50	115	38,813	30	19,125	145	49,938	
35,000 - 39,999	37,500	562.50	167	75,150	31	13,950	198	89,100	
40,000 and over	42,500	637.50	206	131,325	34	21,675	240	153,000	

			Census of Housing *		Mobile homes *		All home owners *		Wisconsin Formula Tax Credit
Homeowner income and value of property			Number	Property taxes accrued	Number	Property taxes accrued	Number	Property taxes accrued	
Range	Midpoint	Tax & Deductible (min. 37.50)							
25,000 and more			303	14,527	92	2,126	315	178,675	
Less than 5,000	2,500	37.50	0	0	0	0	0	0	
5,000 - 9,999	7,500	112.50	15	1,688	52	3,600	47	52,888	
10,000 - 14,999	12,500	187.50	5	938	6	1,125	11	2,063	
15,000 - 19,999	17,500	262.50	27	7,078	6	1,575	33	8,663	
20,000 - 24,999	22,500	337.50	52	17,555	13	4,388	65	21,943	
25,000 - 29,999	27,500	450.00	52	23,400	10	4,500	62	27,900	
30,000 and more	42,500	637.50	152	96,900	25	15,731	177	112,838	
All income of all home owners			2222	262,501	5376	916,775	13,692	3,613,276	192,173
Less than 5,000	2,500	37.50	322	14,325	206	3,225	1,188	44,550	16,706
5,000 - 9,999	7,500	112.50	754	9,075	1,785	26,912	2,639	292,887	19,598
10,000 - 14,999	12,500	187.50	1,266	23,737	1,543	21,213	2,809	526,682	31,712
15,000 - 19,999	17,500	262.50	2,001	52,523	441	115,762	2,442	641,025	36,983
20,000 - 24,999	22,500	337.50	1,458	49,675	382	161,725	1,240	621,000	20,363
25,000 - 29,999	27,500	450.00	1,300	585,000	242	118,900	1,542	695,900	26,475
30,000 and more	42,500	637.50	1,061	67,388	177	118,838	1,238	789,226	41,324
Total all home owners			7,004	25,751,501	15,366	2,810,413	35,850	28,559,363	
Less than 5,000	2,500	37.50	1,116	41,320	2,305	36,133	3,421	1,272,281	
5,000 - 9,999	7,500	112.50	2,572	22,730	5,102	53,975	7,674	863,325	
10,000 - 14,999	12,500	187.50	5,126	97,375	4,410	126,875	4,596	1,797,250	
15,000 - 19,999	17,500	262.50	16,665	4,371,582	1,260	330,750	17,935	4,705,312	
20,000 - 24,999	22,500	337.50	18,880	6,222,000	1,091	368,213	19,971	6,749,213	
25,000 - 29,999	27,500	450.00	15,614	7,021,350	491	316,750	16,305	7,337,250	
30,000 and more	42,500	637.50	10,451	6,662,513	507	323,212	10,958	6,985,725	
Additional details on income to 3,000									
Supplement									
1,000 - 1,499	625		421		425		816	153,000	6,930
Less than 5,000	0	37.50	21		35		66	2,475	0
5,000 - 9,999	3000	112.50	91		191		282	31,725	8,460
10,000 - 14,999	12,500	187.50	121		147		268	50,250	29,100
15,000 - 19,999	17,500	262.50	126		28		154	40,425	18,430
20,000 - 24,999	22,500	337.50	47		12		59	19,912	9,735
25,000 - 29,999	27,500	450.00	12		2		14	6,300	3,255
30,000 and more	50,000 *	637.50	3		0		3	1,913	900
15,000 - 19,999	17,500		782		789		1,571	2,863,314	36,174
Less than 5,000	0	37.50	39		82		121	4,538	0
5,000 - 9,999	3000	112.50	169		352		521	54,123	0
10,000 - 14,999	12,500	187.50	225		274		479	93,563	3,743
15,000 - 19,999	17,500	262.50	234		51		285	74,213	14,763
20,000 - 24,999	22,500	337.50	86		23		109	36,788	10,628
25,000 - 29,999	27,500	450.00	23		5		22	12,600	4,620
30,000 and more	42,500	637.50	6		2		9	5,100	2,220

Estimated costs to Nevada of Residential Property Tax Relief for Home owners 65 years of age and over Based on Applying Minnesota and Vermont provisions to Nevada Data for 1970.

Household income and value of home Range	Mid-point (1970)	Tax due	Number	Property taxes received	Minnesota Formula Credit	Vermont Computation	Minnesota Credit
Under 1,000 income			860	52,252	36,646	$5500 \times .07 = 385$	24,376
Less than 5,000	2,500	37.50	594	22,275	15,592	$2500 \times .07 = 175$	1495
5,000 - 9,999	7,500	112.50	132	14,251	10,376	$11250 \times .07 = 787.50$	10,230
10,000 - 14,999	12,500	187.50	56	10,560	7,350	$15250 \times .07 = 1067.50$	8,540
15,000 - 19,999	17,500	262.50	18	4,726	3,308	$22750 \times .07 = 1592.50$	4,095
20,000 - 24,999	22,500	337.50	—	—	—	—	—
25,000 - 29,999	27,500	412.50	—	—	—	—	—
30,000 and over	35,000	487.50	—	—	—	—	—
1,000 to 1,999 income (1,250)			846	153,000	76,500	$12500 \times .07 = 875$	76,757
Less than 5,000	2,500	37.50	66	2,475	1,238	—	—
5,000 - 9,999	7,500	112.50	282	31,725	15,862	$11250 \times .07 = 787.50$	7,050
10,000 - 14,999	12,500	187.50	268	50,250	25,125	$15250 \times .07 = 1067.50$	26,700
15,000 - 19,999	17,500	262.50	154	40,425	20,213	$22750 \times .07 = 1592.50$	26,250
20,000 - 24,999	22,500	337.50	59	19,712	9,956	$30250 \times .07 = 2117.50$	12,558
25,000 - 29,999	27,500	412.50	14	6,300	3,150	$37750 \times .07 = 2642.50$	2,925
30,000 and over	35,000	487.50	3	1,913	956	$45250 \times .07 = 3167.50$	638
1,500 to 1,999 income (1,750)			1,571	286,014	114,425	$17500 \times .07 = 1225$	98,673
Less than 5,000	2,500	37.50	121	4,538	1,815	—	—
5,000 - 9,999	7,500	112.50	521	58,612	23,445	$11250 \times .07 = 787.50$	—
10,000 - 14,999	12,500	187.50	499	93,563	37,425	$15250 \times .07 = 1067.50$	32,455
15,000 - 19,999	17,500	262.50	235	74,813	29,925	$22750 \times .07 = 1592.50$	37,900
20,000 - 24,999	22,500	337.50	109	36,727	14,715	$30250 \times .07 = 2117.50$	19,342
25,000 - 29,999	27,500	412.50	28	12,600	5,670	$37750 \times .07 = 2642.50$	4,970
30,000 and over	35,000	487.50	8	5,100	2,040	$45250 \times .07 = 3167.50$	1,420
2,000 to 2,999 income (2,250)			1,076	300,750	90,225	$22500 \times .07 = 1575$	81,647
Less than 5,000	2,500	37.50	22	225	248	—	—
5,000 - 9,999	7,500	112.50	210	39,375	9,112	$11250 \times .07 = 787.50$	—
10,000 - 14,999	12,500	187.50	210	39,375	11,813	$15250 \times .07 = 1067.50$	6,300
15,000 - 19,999	17,500	262.50	173	45,412	13,624	$22750 \times .07 = 1592.50$	12,165
20,000 - 24,999	22,500	337.50	145	48,938	14,621	$30250 \times .07 = 2117.50$	20,462
25,000 - 29,999	27,500	412.50	146	65,700	19,710	$37750 \times .07 = 2642.50$	20,805
30,000 and over	35,000	487.50	110	76,125	21,037	$45250 \times .07 = 3167.50$	15,675
2,500 to 2,999 income (2,750)			1,213	338,964	67,793	$27500 \times .07 = 1925$	62,203
Less than 5,000	2,500	37.50	24	900	180	—	—
5,000 - 9,999	7,500	112.50	305	34,315	6,863	$11250 \times .07 = 787.50$	—
10,000 - 14,999	12,500	187.50	237	44,438	8,887	$15250 \times .07 = 1067.50$	—
15,000 - 19,999	17,500	262.50	196	57,450	10,290	$22750 \times .07 = 1592.50$	13,720
20,000 - 24,999	22,500	337.50	163	55,013	11,003	$30250 \times .07 = 2117.50$	17,523
25,000 - 29,999	27,500	412.50	164	73,800	14,760	$37750 \times .07 = 2642.50$	17,630
30,000 and over	35,000	487.50	124	79,020	15,810	$45250 \times .07 = 3167.50$	15,350
3,000 to 3,999 income (3,250)			713	161,702	16,170	$32500 \times .07 = 2275$	18,103
Less than 5,000	2,500	37.50	71	2,625	266	—	—
5,000 - 9,999	7,500	112.50	159	17,888	6,729	$11250 \times .07 = 787.50$	—
10,000 - 14,999	12,500	187.50	165	30,438	3,044	$15250 \times .07 = 1067.50$	—
15,000 - 19,999	17,500	262.50	130	34,125	3,413	$22750 \times .07 = 1592.50$	4,550
20,000 - 24,999	22,500	337.50	110	37,125	3,712	$30250 \times .07 = 2117.50$	—
25,000 - 29,999	27,500	412.50	64	44,500	2,430	$37750 \times .07 = 2642.50$	—
30,000 and over	35,000	487.50	23	14,663	1,426	$45250 \times .07 = 3167.50$	—

TABLE II FOOTNOTES

Minnesota

- 1/ Households headed by persons 65 years of age or older which have annual incomes under \$500 receive a credit against income taxes paid (or a refund) equivalent to 75 percent of property taxes accrued. Estimates of the number in the under \$500 bracket are not readily available; hence, the 70 percent rate for the \$500 - \$999 income household was assumed for the entire category. (Note the Wisconsin provisions of 75 percent credit of property taxes accrued for household incomes under \$1,000 in Table I.)
- 2/ 50 percent of taxes on household incomes from \$1,000 - \$1,499.
- 3/ 40 percent of taxes on household incomes from \$1,500 - \$1,999.
- 4/ 30 percent of taxes on household incomes from \$2,000 - \$2,499.
- 5/ 20 percent of taxes on household incomes from \$2,500 - \$2,999.
- 6/ 10 percent of taxes on household incomes from \$3,000 - \$3,499.

Vermont

- 7/ Credit is given in the amount by which property tax accruals exceed 7 percent of household income. (Notice has not been taken of the local property tax rate factor applied in Vermont.)
- 8/ The amount of property taxes used in computing the credit is limited to \$300 in a given tax year.

Estimated annual rental payments of Nevada households headed by persons 65 years of age and older in 1970 and estimated credit assuming property tax component as defined by State of Wisconsin provisions

Gross rent on a percent of annual income	Census of Housing Data *			Rental Income *		Total *		Property Tax Component	Tax Credit
	Annual Rent	Number	Total Rental payments	Number	Total Rental payments	Number	Total Rental payments		
under \$1000 (midpoint \$500)	675	118,635	174	2,590	857	149,235	27,656	27,712	3
5%	25	0	0	0	0	0	0	0	0
12	60	12	720	5	300	17	1,020	255	191
17	85	41	3,485	10	850	51	4,335	1,094	813
22	110	28	3,080	14	1,540	42	4,620	1,155	866
27.5	147.5	180	26,550	40	5,900	220	32,450	8,112	6,064
40	200	424	84,800	105	21,000	529	105,800	26,450	19,858
1000-1999 (midpoint \$1500)	1,820	1,017,511	224	180,520	2,104	1,137,523	284,457	31,168	31
5%	75	5	375	0	0	5	375	94	-
12	180	54	9,720	3	540	57	10,260	2,565	-
17	255	92	23,460	10	2,500	102	24,960	6,503	-
22	330	118	38,940	19	6,270	137	45,210	11,302	247
27.5	442.5	137	60,623	27	11,948	164	72,571	18,143	1,452
40	600	1,474	884,400	165	97,600	1,639	982,000	245,250	29,515
2000-2999 (midpoint \$2500)	772	722,663	92	62,850	264	803,513	200,772	-	4
5%	125	0	0	0	0	0	0	0	-
12	300	0	0	0	0	0	0	0	-
17	425	0	0	0	0	0	0	0	-
22	550	0	0	0	0	0	0	0	-
27.5	757.5	127	93,163	16	9,800	166	102,963	26,209	-
40	1,000	675	675,000	0	0	675	675,000	166,250	-
3000-3999 (midpoint \$3500)	758	868,315	60	44,450	818	1,122,765	228,191	-	4
5%	175	0	0	0	0	0	0	0	-
12	425	34	14,280	5	2,100	39	16,380	4,075	-
17	575	79	47,005	15	8,725	94	55,730	13,782	-
22	770	94	72,380	30	23,100	124	95,480	23,870	-
27.5	1,052.5	100	105,250	10	10,325	110	115,575	28,774	-
40	1,400	451	631,400	0	0	451	631,400	157,250	-
4000-4999 (midpoint \$4500)	403	625,075	20	23,760	427	648,835	162,214	-	5
5%	225	0	0	0	0	0	0	0	-
12	540	0	0	0	0	0	0	0	-
17	765	0	0	0	0	0	0	0	-
22	990	69	68,310	214	23,760	93	92,070	23,018	-
27.5	1,327.5	94	124,785	0	0	94	124,785	31,176	-
40	1,800	240	432,000	0	0	240	432,000	108,000	-
5000-5999 (midpoint \$5500)	367	413,400	22	21,945	389	485,345	121,421	-	-
5%	275	10	2,750	0	0	10	2,750	688	-
12	660	36	23,760	0	0	36	23,760	5,910	-
17	935	95	87,825	17	15,875	112	104,700	26,180	-
22	1,210	92	111,520	5	6,150	107	124,670	31,157	-
27.5	1,623.5	77	124,909	0	0	77	124,909	36,061	-
40	2,200	37	81,400	0	0	37	81,400	21,450	-

* See text for description of earnings

1) Defined by statute as 25 percent of rental payments

2) Statutory provision effective for tax year 1972, allow

25 percent credit (or refund) of property tax component

3) See page 2 for breakdown of 1000 to 4999 and

5000 to 5999. For the former, 60 percent of the property tax component in excess of five percent of household income up to \$200. In the latter, 60 percent of the property tax component in excess of ten percent of household income up to \$200 in tax equivalent. (over)

§ For household income up to \$5,000, the credit is 60 percent of the "property tax component" in excess of 14 percent of income up to \$500 in def accruals.

Gross rent				Mobile homes		Total		Wisconsin Franchise	
represent annual income	annual Rent	Members	Total Rental Payments	Members	Total Rental Payments	Members	Rental Payments	Property tax Component	Amount Credit
600-1,999 (midpoint 650)				11	12,155	284	566,755	146,129	
5-10	325	0	0	0	0	0	0	0	
12	780	0	0	0	0	0	0	0	
17	1,105	25	27,625	11	12,155	36	39,780	9,945	
22	1,420	30	42,600	0	0	30	42,600	10,725	
29.5	1,917.5	130	249,275	0	0	130	249,275	62,319	
40.0	2,600	88	228,800	0	0	88	228,800	57,200	
Additional business income on income tax return \$2,050						1,010	455,269	113,582	31,169
1,000-1,999 (midpoint 1,250)									
5-10	62.50	15.62				2	125	31	6
12	150.00	37.50				27	4,050	1,012	0
17	212.50	53.13	(6875-1250)			49	10,412	2,603	0
22	275.00	68.75	625 x 60%			66	18,150	4,538	248
29.5	368.75	92.19	29.69 x 60%			79	29,132	7,283	1,408
40	500.00	125.00	62.50 x 60%			787	393,500	97,375	29,513
1,500-1,999 (midpoint 1,750)						1,694	689,926	172,427	
5-10	87.50	21.88				3	262	66	
12	210.00	52.50				30	6300	1,575	
17	277.50	74.38				53	15,167	3,912	
22	385.00	96.25				71	27,355	6,834	
29.5	512.5	129.06				85	43,881	10,970	
40	700.00	175.00				852	594,400	148,100	
2,000-2,499 (midpoint 2,250)						477	396,320	97,695	
5	112.50					0	0	0	
12	270.10					0	0	0	
17	322.50					0	0	0	
22	495.00					16	7,920	1,920	
29.5	63.75					112	74,540	18,575	
40	911.00					349	314,100	78,525	
2,500-2,999 (midpoint 2,750)						387	407,220	101,805	
5	137.50					0	0	0	
12	336.00					0	0	0	
17	467.50					0	0	0	
22	605.00					0	0	0	
29.5	811.25					64	51,920	12,980	
40	1,100.00					323	355,300	88,825	
3,000-3,499 (midpoint 3,250)						442	458,445	114,611	
5	162.50					0	0	0	
12	392.00					21	8,190	2,048	
17	552.50					50	27,625	6,906	
22	715.00					67	47,775	11,976	
29.5	950.75					60	57,525	14,381	
40	1,300.00					244	317,200	79,300	

Table 10
 Estimated cost to Nevada of relief for "property tax component" of annual rental payments
 by households headed by persons 65 years of age and older in 1970 assuming statutory provisions
 of the States of Minnesota and Vermont.

Minnesota Formula						Vermont Formula					
Give Rent as a percent annual income	Annual Rent	Members	Total Rental Payments	Property Tax Component	Credit	Property Tax Component	Credit				
Under \$500 (minimum)		859	\$147,255	29,445	20,752 ¹⁾	44,448	16,728				
5%	25	0	0	0	0	0	0				
12%	60	17	1,620	204	143	306	0				
17%	85	51	4,335	867	607	1,301	484				
22%	110	42	4,620	924	647	476	984				
29.5%	147.5	220	32,450	6,440	4,543	9,735	2,085				
40%	200	529	105,200	21,160	14,812 ²⁾	31,740	13,225				
1,000-1,499 (maximum)		1,010	455,519	91,074	45,537 ³⁾	136,611	10,826				
5%	62.5	2	125	25	12	37	0				
12%	150	27	4,050	810	405	1,215	0				
17%	212.5	49	10,412	2,082	1,041	3,124	0				
22%	275	66	18,150	3,630	1,815	5,445	0				
29.5%	368.75	79	29,152	5,827	2,914	8,740	988				
40%	500	787	392,500	78,400	39,350	118,050	9,838				
1,500-1,999 (maximum)		1,014	689,946	137,989	55,146 ⁴⁾	206,924	—				
5%	87.5	3	262	52	21	74	—				
12%	210	30	6,300	1,260	504	1,890	—				
17%	297.5	53	15,768	3,154	1,262	4,730	—				
22%	385	71	27,335	5,467	2,197	8,201	—				
29.5%	516.25	85	43,881	8,776	3,510	13,164	—				
40%	700	852	596,400	119,280	47,712 ⁵⁾	178,920	—				
2,000-2,499 (maximum)		477	396,360	79,272	23,732	118,908	—				
5%	112.5	0	0	0	0	0	—				
12%	270	0	0	0	0	0	—				
17%	382.5	0	0	0	0	0	—				
22%	495	16	7,920	1,584	475	2,376	—				
29.5%	663.75	112	74,340	14,868	4,461	23,302	—				
40%	900	349	314,100	62,820	18,846 ⁶⁾	94,230	—				
2,500-2,999 (maximum)		387	407,250	81,450	16,289 ⁷⁾	122,166	—				
5%	137.5	0	0	0	0	0	—				
12%	330	0	0	0	0	0	—				
17%	467.5	0	0	0	0	0	—				
22%	605	0	0	0	0	0	—				
29.5%	811.25	64	51,920	10,324	2,877	15,576	—				
40%	1,100	223	355,300	71,060	14,212 ⁸⁾	106,770	—				
3,000-3,499 (maximum)		442	457,415	91,483	9,169 ⁹⁾	137,534	—				
5%	162.5	0	0	0	0	0	—				
12%	375	21	8,190	1,632	164	2,457	—				
17%	502.5	50	27,625	5,525	553	8,288	—				
22%	675	67	47,905	9,581	958	2,814	—				
29.5%	907.5	60	57,525	11,505	1,150	17,558	—				
40%	1,200	244	312,200	62,440	6,244	95,160	—				
			(513,216)	(102,726)	(17,775)	(76,671)	(27,534)				

¹⁾ Defined as 20 percent of rental payments.

²⁾ Breakdown not readily available; see incomes under "Income" 25 percent of "property tax component" is credited against income tax payments. Rate of 10 percent for income between \$500 and \$999, 100 percent for income above \$1,000.

³⁾ Separately "property tax component"

⁴⁾ 10 " " " " " "

⁵⁾ 30 " " " " " "

⁶⁾ 20 " " " " " "

⁷⁾ 10 " " " " " "

⁸⁾ Defined as 30 percent of rental payments.

⁹⁾ Amount eligible "property tax component" exceeds 1 percent of household income up to \$200.