



FYI General 7 Property Tax Rebates and Deferrals for the Elderly and Disabled

PROPERTY TAX/RENT/HEAT REBATE

If you are a full-year Colorado resident, 65 years of age or older, disabled, or a surviving spouse 58 years of age or older, you may qualify for the Property Tax/Rent/Heat Rebate and/or the Property Tax Deferral.

Qualified applicants can receive a rebate of up to \$600 of the property tax and \$192 of their heating expenses paid during the year, either directly or as part of their rent payments, by filing the Property Tax/Rent/Heat Rebate Application Form (104PTC). [§39-31-101, C.R.S.]

TIMING OF REFUNDS

PTC rebates must be issued in equal installments rather than one lump sum payment. The date the rebate is approved will determine when the first payment is issued (see chart below). To ensure that you receive the first payment in April it is recommended that you file the PTC application in January or early February. First time applicants should file in early January to allow time for additional processing. The installment payments are required by law and exceptions to this process cannot be made. [§39-31-102, C.R.S.]

For 2010 rebates, checks will be issued in equal installments as follows:		
Application received, processed and approved by:	Applicant rebate received by:	Number of equal installments:
March 10, 2011	April 15, 2011	4
June 10, 2011	July 15, 2011	3
September 10, 2011	October 15, 2011	2
December 10, 2011	January 15, 2012	1
December 31, 2012	12 weeks after receipt	1

ELIGIBILITY REQUIREMENTS

To claim a property tax/rent/heat rebate, you must meet all six of the following eligibility requirements each time you apply.

1. You (either husband or wife) are 65 or older as of Dec. 31 of the year for which you are applying, **or** You are a surviving spouse at least 58 years of age as of Dec. 31 of the year for which you are applying, **or** You (either husband or wife) were disabled, regardless of age, during the entire year. (Recipients of VA and Private Pensions must submit an acceptable disability statement).
2. You reside in Colorado during the entire taxable year for which the claim is filed. (Both husband **and** wife must be full-year residents.)
3. You are lawfully present in the United States.
4. You are not claimed as a dependent on any other person's federal income tax return.
5. You meet one of the following two income limitations:
If single: Your total income for calendar year 2010 is less than \$12,133.
If married: Your combined income for calendar year 2010 is less than \$15,913.
6. You must have paid property tax, rent and/or heating expenses to claim a rebate for these amounts.

LAWFUL PRESENCE

PTC applicants who are 18 years of age or older must be lawfully present in the United States to receive the PTC rebate. [§24-76.5-101,C.R.S.]

Affidavit

To prove lawful presence, applicants must complete and sign an affidavit when applying for the rebate. The affidavit appears on the back of the 2010 PTC application. If applicants are married, each spouse must sign and complete the affidavit. If the affidavit is not properly completed, the application will be returned.

Identification

Applicants must also include on the application the number from their valid Colorado driver's license or Colorado identification card. For questions about how to update your driver's license or ID card, call (303) 205-5600. If an applicant is unable to obtain a Colorado driver's license or ID card, a photo-quality color copy of one of the following forms of identification may be provided with the application. (Copies of documents that are business card size must be enlarged to 200% or twice their original size.)

- U.S. military card or military dependent's ID card, or
- U.S. Coast Guard Merchant Mariner Card, or
- Native American Tribal Document
- Other forms of ID are accepted. See information below.
- In some circumstances an identification waiver may be obtained.

Applicants may obtain additional information regarding accepted forms of identification and the waiver process either online at www.TaxColorado.com or call (303) 238-7378.

However, please note that valid driver's licenses from other states will not be accepted because applicants must be full-year Colorado residents to receive the PTC rebate.

Driver's license/ID number box

Every PTC applicant must complete the Colorado driver's license/ID number box on the PTC application. If this box is left blank, the application will be returned. If the applicant does not have a number and is using a different form of identification to prove legal presence, information is still required in the box. Applicants submitting a military ID must write "military" in the box. Applicants submitting a merchant mariner card must write "coast" in the box. Applicants submitting tribal documents must write "tribal" in the box. Applicants submitting some other form of accepted identification must write "Other" in the box. Applicants who obtained an identification waiver must write "Waiver" in the box.

ADDRESS USED ON APPLICATION

The address you enter on the PTC application must match the address on record for your Colorado driver's license or identification card or other identifying documents. If necessary, you should update your address with the Motor Vehicle Department [Change of Address Form (DR 2285), located on the Web site at www.TaxColorado.com under the PTC link] before you file your PTC application. The address on the application must match at least one spouse's address on a joint application. If you do not want your rebate checks sent to that address, you must use direct deposit to have your rebate deposited directly into a bank account.

INCOME REPORTED ON THE APPLICATION

- wages, salary and tips
- interest and dividends
- Social Security and SSI benefits
- amounts paid for Medicare premiums. Do not include premiums paid by Medicaid [§39-31-101(3)(b)(II) and §39-31-104(3)(b)(II), C.R.S.]
- aid to the needy disabled and payments
- Colorado Old Age pension payments
- private and VA pension benefits
- alimony
- inheritance
- Worker's Compensation
- commissions
- royalties
- veteran's benefits

- capital gains
- railroad retirement (Tier 1 and 2)
- disability insurance settlements
- lottery and gambling winnings
- life insurance minus funeral expenses
- rental income minus expenses (except depreciation)
- farm income minus expenses (except depreciation)
- welfare ADC payments minus income designated for dependents
- stock dividend or stock rights if included on federal income tax return
- business income minus expenses (except depreciation)
- disability payments
- all taxable income

EXPENSES REPORTED ON THE APPLICATION

- Property tax paid during the year. For example, on your 2010 application enter the amount of property tax you paid in early 2010 for 2009 taxes. Include property taxes that are paid on your behalf under the Elderly Property Tax Deferral Program. Do not include property tax not actually paid under the Senior Property Tax Exemption.

Some cities refund a portion of the municipal property tax levy to senior citizens or disabled persons. Check with the city in which you live to see if they provide such a refund. This refund does not reduce the property tax paid when determining the PTC rebate.

- Heat or fuel bills paid during the year.
- Rent paid during the year. Include rent paid for a mobile home lot. Do not include rent paid to a nursing home. Specify whether the rent includes meals, heat or payment for a tax-exempt unit. The rebate will be computed using the amount of property tax and heating expenses included in your rental payments.

REQUIRED FORMS

You may obtain a Property Tax/Rent/Heat Rebate Application (104PTC) at www.TaxColorado.com

The application requests income and expense information needed to calculate the rebate. While the maximum rebate is \$792, this amount is reduced if the property tax or heat expenses for the year are less than the maximum rebate amounts allowed or if the total income is more than \$6,133 (single) or \$9,913 (married). The Department of Revenue will calculate the rebate amount based on information provided on the application.

HOW TO CALCULATE THE REBATE

If you wish to calculate your 2010 rebate follow the instructions below:

STEP 1: Total Income.

Add your total income. Include Medicare benefits if you are on Medicare. Include \$1,384.80 for premiums that were paid on your behalf for 2010. If you only received Medicare benefits for part of the year, multiply the number of months you received benefits times \$115.40 for the amount of the premiums to include in your total income. Do not include Medicare premiums paid by Medicaid.

STEP 2: Property tax, rent, and heat expenses for the year.

The property tax amount used in the rebate computation is the actual amount you paid during the year for the prior year's taxes.

The property tax paid through rent payments is computed by taking 20% of the qualified rent payments made during the year. If your meals are included in the rent, the rent payments must be reduced by 50% for the cost of the meals. If your rent is paid on an apartment in a building that is exempt from local property tax, the rent payments must not be included since there was no property tax paid through rent. If heat expenses are included in your rent, the rent payments must be reduced by 10% for the cost of the heat expenses.

The property tax paid during the year for computing this rebate is the total of the property tax paid to the county during the year and the amount paid through rent payments during the year.

The heat expenses paid during the year for computing this rebate are the total of the heating bills you paid, and 10% of the rent you paid if heat expenses were included in the rent.

STEP 3: Calculate your rebate.

The maximum rebate is \$792. Although the income limitations for this rebate are \$12,133 for single individuals and \$15,913 for married couples, there are other limits to the maximum credits allowed. As your income increases, the rebate decreases. Your maximum rebate will be less if your income exceeds \$6,133 (single person) or \$9,913 (married). [§39-31-101 (3)(b), C.R.S].

Property tax rebate limit: \$600 minus 10% of the amount your total income exceeds \$6,133 if single, or \$9,913 if married.

Heat rebate limit: \$192 minus 3.2% of the amount your total income exceeds \$6,133 if single, or \$9,913 if married.

The Property Tax/Rent Rebate is the lesser of the total of the property tax paid during the year (either directly or through rent payments) or the property tax rebate limit. The Heat Rebate is the lesser of the total heat expenses paid during the year (either directly or through rent payments) or the heat rebate limit.

The total of the Property Tax/Rent Rebate and Heat Rebate amounts will be the total PTC Rebate for the year.

Example: single person with total income of \$7,000, rent paid \$3,600 (heat included).

1. The property tax paid is 20% of the \$3,240 rent (90% of \$3,600) = \$648
2. The heat expenses paid are 10% of \$3,600 = \$360
3. Determine the amount by which your income exceeds the income limit. $\$7,000 - \$6,102 = \$898$
4. The property tax rebate limit is $\$600 - \90 (10% of \$898) = \$510
5. The heat rebate limit is $\$192 - \29 (3.2% of \$898) = \$163
6. The PTC Rebate is \$673 (the lesser of line 1, \$648, or line 4, \$510, plus the lesser of line 2, \$360, or line 5, \$163).

HOW TO CALCULATE YOUR EXPENSES WHEN MORE THAN ONE PERSON LIVE TOGETHER (OTHER THAN A MARRIED COUPLE).

In the case of a disabled child who qualifies for the rebate, the child's total income must be divided by the income of all members of the household to determine the percentage of expenses that were paid by the child. Example: Joe, disabled child age 6, received \$6,000 in SSI during the year. His parents, not qualified for the rebate, had total income of \$8,000. They paid rent of \$3,600 and heat of \$300 for the year. $\$6,000/\$14,000 = 42.9\%$

Joe can claim 42.9% of the rent (\$1,544) and 42.9% of the heat (\$129) on his 104 PTC form to calculate his rebate. In the case of two adults who live together but are not married, the expenses paid by each individual would be calculated as follows:

- If one of the adults is the owner of the property, the owner (if eligible) will claim the rebate using the property tax and heating expenses he/she pays. If the owner receives rent from the other tenant, the rent must be reported as income on the 104PTC application. The tenant (if eligible) will claim the rent paid to compute the rebate as well as any heating expenses he/she actually pays.
- If the adults jointly own the property, each owner (if eligible) may claim either the property tax he/she actually paid or the percentage of the tax based on the percentage of ownership in the property. Each owner will claim the heat expenses he/she actually pays.
- If both adults rent the property, each renter must claim the rent and heat expenses paid according to his/her percentage of the household income (see example above).

ELDERLY PROPERTY TAX DEFERRAL PROGRAM

Colorado residents 65 years of age or older may defer or postpone the payment of property taxes on their residence.

General Information

The State Treasury makes tax payments directly to the county on behalf of the participant for the entire amount due that year. The loan is logged as a lien against the participant's property that does not have to be remitted until the property sells or the mortgage changes hands. Interest charges are applied to the loan.

To participate, seniors must apply to their individual county treasurer every year. The deadline is April 1 of each year. County treasurers are paid property taxes, from the Elderly Property Tax Deferral program, by May 30 and county reports are mailed at the end of December.

Eligibility Requirements:

- Claimant must be 65 years or older.
- Cumulative amount of the deferral plus interest must not exceed the market value of the property less the value of any liens.
- Mortgage holder agrees that the state's interest in the property would legally come before his interest in the property.
- All property taxes for prior years must have been paid.
- Must own and occupy your residence.
- Must not be earning any income.

Procedures:

- Claimant files an application with the county treasurer between January 1 And April 1 each year.
- County treasurer issues a certificate of deferral.
- County treasurer records the certificate of deferral, and sends the original to the state treasurer.
- State treasurer charges interest beginning May 1.

If you have further questions on property tax deferrals, contact your local county treasurer or go to www.treasurer.state.co.us

SENIOR PROPERTY TAX EXEMPTION

The homestead exemption for qualifying senior citizens is available to qualifying seniors and the surviving spouses of seniors who previously qualified. The three basic requirements are: 1) the qualifying senior must be at least 65 years old on January 1 of the year in which he or she qualifies; 2) the qualifying senior must be the owner of record, and must have been the owner of record for at least ten consecutive years prior to January 1; and 3) the qualifying senior must occupy the property as his or her primary residence, and must have done so for at least ten consecutive years prior to January 1.

For those who qualify, the exemption reduces the actual value of your residential property by 50 percent up to a maximum reduction of \$100,000. The state pays the tax on the exempted value. This exemption was available for 2002 and will be available again beginning in 2006. Qualified individuals must file a completed application with the county assessor for the exemption no later than **July 15** of the first property tax year for which the exemption is claimed. Applications are available from your county assessor. [§39-3-201, C.R.S.]

If you have further questions regarding the senior property tax exemption, contact your county assessor or go to www.dola.state.co.us

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.