

RTM Senior and Disabled Tax Relief Committee

Wednesday, March 30, 2022

**2ND FLOOR CONFERENCE ROOM, OLD TOWN HALL
611 OLD POST ROAD, FAIRFIELD, CT
AND
VIA WEBEX**

Special Meeting of the Town of Fairfield Representative Town Meeting Senior and Disabled Tax Relief Committee was held on 3/30/2022 in the 1st floor Conference Rm of Sullivan Independence Hall, Town of Fairfield, CT.

In attendance: Chair of Committee: Representative Jill Vergara (District 7); Vice-Chair of Committee: Representative Cindy Perham (District 2 and RTM Deputy Democratic Caucus Leader); Secretary of Committee: Representative Hannah Gale (District 6) via WebEx: Committee member: Representative Mark McDermott (District 7 and RTM Moderator), and member of the public, Bill Lenahan (representing Fairfield Senior Advocates).

Orders of Business

- 1) Call to Order: 6:37 PM
- 2) Pledge of Allegiance
- 3) Approval of Minutes from Organizational Meeting on February 23, 2022. Motion to approve from Rep. Perhan and Motion seconded by Rep. Vergara. Motion passed unanimously.
- 4) Review and Discussion of Chapter 95, Article III, Tax Relief for Elderly and Disabled Homeowners, which can be found in the Town Code at at <https://ecode360.com/8187468> and amendments approved as of 3/22/21 at <https://ecode360.com/FA0912/laws/LF1326917.pdf>

Topic will also be reserved for discussion at next meeting as well, as Ross Murray, Fairfield Tax Assessor, has not had a chance to respond to concerns expressed by emails from members of Fairfield Senior Advocates and the public, etc.

Discussion:

New ordinance language was adopted by RTM in March 2021 but has not been updated in the Town Code listed on the Fairfield website.

Change was for the credit program and the % were raised to 75% for lowest income-then to higher % taxed by 5% moving up income levels.

for the assessment year beginning October 1, 2021 and for each assessment year thereafter:

Qualifying Income (as of 2021)			
Over	To	Tax Credit (percentage of tax due)	Cap (not to exceed)
\$0	\$18,600	75%	\$7,500
\$18,600	\$25,500	65%	\$6,500
\$26,500	\$32,700	55%	\$5,500
\$32,700	\$39,000	45%	\$4,500
\$39,300	\$48,000	35%	\$3,500
\$48,000	\$56,000	25%	\$2,500
\$56,000	\$77,300	15%	\$1,500

Levels of income are increased yearly by Annual Inflation Adjustment for Social Security as released by Federal Government. This year benefits went up 5.9% this years (according to Rep. Perham).

Rep. Vergara states that 4 letters were received for this meeting: Mr. Rick Grower, Mr. Bill Lenahan, Mr. Urb Leimkuhler, and Mr. Gordon Mackenzie, from Fairfield Senior Advocates,

Comment from Mr. Bill Lenahan:

“If someone makes a conversion from IRA to ROTH this will be included in AGI. ROTH/IRA income is now counted both as income and as asset.”

From Rep. Vergara: Regarding simplification of income calculation. Rep. Vergara proposes changing the qualifying income to be defined solely as AGI, and not to include any nontaxable income. Other towns define solely around AGI. She offeres it as a way to simplify administration and also make the application more equitable. Mr. Bill Lenahan (Fairfield Senior Advocates) weighed in on supports exclusion of nontaxable income.

Rep. Mark McDermott stated that there is currently a double reporting of IRA assets as both asset and income (AGI).

It was pointed out by Mr. Lenahan that pensions are not counted as assets.

Discussion ensued regarding the fact that pensions end when recipient passes, and no asset is passed to descendants. Also, no actual gross number is related to a pension- only yearly income.

This raised the question for the committee to suggest if IRA should be counted as income only and not listed as asset, to make on par with pensions and not penalize younger retirees.

Discussion on merits of Deferral program over Credit program, as the funds are ultimately remitted to the town:

Deferral program has an older age requirement of 75 yrs., which, Rep. Vergara states, was always intended to be lowered, as the program was developed. Deferral program has a higher income allowance, as well as a higher asset allowance. Lowering the age to 70 yr old may allow

Discussion in committee showed a general consensus on possible need to lower deferral age requirement to 70 yrs old may allow senior retention while ensuring that the town eventually received needed revenue.

Rep. Vergara is recommending making the deferral program more attractive to participation.

Requirement of residency was changed during last administrative changes to 1 yr. in 2018 to be more in line with state.

State circuit breaker program is mandatory to apply to, but this has not been funded for 5 years. Town has been covering this amount. Has ranged from 250K- 400k. Revenue lost of 1.8 or 1.9 m from town. State bill to refund this program is currently being considered. FSA has been advocating for this. This is automatically applied for when a Fairfield resident applies for the town tax relief. Not an extra step.

5) Discussion of Assessor's June 14, 2021 report, which can be found at https://www.fairfieldct.org/filestorage/79/193/22994/102100/June_RTM_Backup.pdf

Lower income ranges were maximized for benefit in the new adopted amendments, which resulted in a higher than expected liability for the town. There was \$500,000 set aside and liability was \$800,000 (2021-2022) because of increased revaluations. Avg benefit was \$3,188, so \$600 increase. (In report attached to agenda).

Report from Mr. Ross shows the disallowed was 0 for last year, presumably because of no re-application.

Disallowed often occurs when income and asset levels increase above limits and failure to refile.

This year's application period is from Feb. 1, 2022 – May 13, 2022. Copy of tax return, copy of social security, and sworn affidavit of assets. Extensions through Aug. 15 2022.

Biannual application was frozen by Executive Order in March, April 2020 so that citizens did not have to come into the office during Covid. As of now this was lifted and applications as of Feb. 1, 2022 are asked from the public.

Summary Discussion: There was a general consensus that the committee would like to make a recommendation to lower the age for the Deferment program. Rep. McDermott made a proposal to come up with a presentation for June RTM meeting, which would be when Ross' presentation will be.

- 6) Motion to end meeting by Rep. Perham and seconded by Rep. Vergara and unanimously approved. Meeting adjourned at 8:37 PM.

Recording: <https://www.youtube.com/watch?v=8GUj1SVcLs0>