

SCHOOL PROPERTY TAX RELIEF FOR INDIVIDUALS AGE 65 OR OVER

The State of Delaware currently offers homeowners ages 65 and over a tax credit against their school property taxes of 50% (up to \$500). This credit may only be used against property taxes on a primary residence.

NEW THIS YEAR:

On June 28, 2012, Governor Markell signed H.B. 209, which made the following changes to the State's Senior Property Tax program:

- **Three-year Residency Requirement for New Applicants:** Individuals who establish legal domicile (residency) in Delaware AFTER December 31, 2012, will be required to have been legally domiciled within the State for a period of at least 3 consecutive years to be eligible to receive the credit. Individuals who have established domicile in Delaware prior to January 1, 2013, are eligible to receive the credit in 2013.
- **Application Deadline Moved to April 30:** Beginning 2013, applications are due no later than April 30th immediately prior to the start of the county fiscal year on July 1st. Eligible applicants, however, may turn 65 at any point before June 30th of the same year. For example, an individual who turned 65 on June 15th, 2013 would be eligible for the credit in 2013 so long as his or her application was received by April 30th, 2013. An individual who turned 65 on August 15th, 2013 would not be eligible because the county's fiscal year has already started.

APPLICATION PROCESS:

You must complete an application for the credit and submit it to the county in which you reside by April 30th. You can obtain a copy of the Senior School Property Tax Credit application at each county office or online at www.finance.delaware.gov.

PLEASE NOTE:

- Applicants do not need to re-apply for the credit each year. Once the applicant qualifies for the program, the amount of the credit will be deducted from the property tax bill before it is mailed by the county.
- To qualify, a copy of a valid driver's license or state ID is required for each applicant at the time of application.
- **Application Deadline:** Beginning 2013, the deadline is April 30th.
- Taxpayers must pay their property tax bill in full by the end of each tax year in order to qualify for this credit for the subsequent property tax year.

FREQUENTLY ASKED QUESTIONS:

What if I am married or entered into a civil union and over 65, but my spouse is not yet 65 years old?

If you and your spouse own the property in its entirety, you will receive the entire 50% school property tax credit.

EXAMPLE: John and Harold Doe are entered into a civil union and jointly own their home. John is 66, but Harold is only 63. John may apply for the senior property tax credit without prorating the credit amount between him and Harold, even though Harold is not yet 65. In this instance, John should complete the primary section of the application. Harold's information should be recorded in the "co-owner" portion of the application.

What if I am 65 and co-own my home with someone, but we are not married or entered into a civil union?

More than one person can claim the credit on a given property (provided they meet all the criteria). However, no more than one full 50% credit may be taken per property. Therefore, if you are the only co-owner 65 or older, you can claim the full 50% credit. However, if both co-owners are over 65, they can each only claim a percentage of the credit. Shares of the credit are assumed equal unless otherwise stated on Line D of the application. Unequal shares are prorated to reflect ownership percentages.

EXAMPLE: Ethel O'Brien and Marvin Jones are co-owners of a home they both occupy. Marvin is 66 and Ethel is 65. Both Ethel and Marvin may apply for the credit. However, the 50% credit is split to reflect the fact that the property is co-owned. In this instance, Ethel owns 70% of the property; therefore, she will receive 70% of the 50% tax credit. Marvin will receive 30% of the 50% credit. Both Ethel and Marvin must submit individual applications since they are unmarried and not entered into a civil union. Ethel's application will list her as the primary owner and Marvin as co-owner. Marvin's application will list him as the primary owner (regardless of his ownership percentage) and Ethel as co-owner.

FOR MORE INFORMATION:

New Castle County
(302) 395-5520

Kent County
(302) 744-2341

Sussex County
(302) 855-7824