



INFORMATION FOR SENIOR CITIZENS AVAILABLE TAX EXEMPTION AND TAX CREDIT PROGRAMS

OVERVIEW

This information sheet is intended to provide a brief overview of exemption programs that are available for New Castle County residents and property owners who are 65 years of age and older. Interested residents may quickly scan the program requirements to determine which of the options may apply to their circumstances. Our Assessment staff can provide more complete information and furnish a copy of the application to be filled out.

To fill out an application, you may visit our offices at 87 Reads Way, New Castle Corporate Commons or call (302) 395-5520 to request that an application be mailed to you. Our staff will be happy to assist you in completing your application.

TYPES OF PROPERTY TAXES

There are two separate property taxes that property owners in New Castle County pay. One is the County property tax. The other is the school district property tax. The tax exemption qualifications are not the same for the two property taxes. However, any property owner who is 65 years of age or older qualifies for a tax credit on the school taxes for their principal residence. Read more about each of these programs below!

Qualifications for Senior Exemption – NCC65

Applicability

This program applies only to New Castle County property taxes, not to school taxes. Those who are purchasing a home have 30 days from the date of purchase to apply for the exemption. If approved, the exemption will apply to all future taxation.

If a resident who qualifies for a 65 exemption on or before July 1, 2007 transfers his or her property and acquires a new property, the resident may transfer his/her exemption to the new residence upon the submission of a new application for exemption, accompanied by proper documentation of such transfer.

Age

Eligible residents must be at least 65 years of age prior to July 1 of the fiscal year for which the exemption is sought. If married and the residence is jointly owned, it is only necessary for one spouse to meet this age requirement.

Residency

Eligible residents must live in the home for which eligibility is being sought. The applicant must have been legally domiciled within the State of Delaware for a period of 3 years immediately preceding October of the pretax year. He/She/They must own the dwelling (the applicant's name must appear on the deed) and it must be their principal residence.

Income

To be eligible, the applicant's income must not exceed \$50,000 per year (not including social security or railroad retirement tier I), and the assessed property value may not exceed \$125,000. If married, the combined income of the married couple must not exceed \$50,000 per year (not including social security or railroad retirement tier I), and the assessed property value may not exceed \$125,000.

For those whose assessed property value exceeds \$125,000, the State senior property tax exemption shall apply, to an assessed value not exceeding \$5,000, for those with incomes not in excess of \$3,000, as set forth in Title 9 of the Delaware Code. No such exemption shall be in addition to any other exemption to which said person may be entitled; and no such exemption shall be permitted where said person's spouse lives in

said dwelling and has an income of \$3,000 per year. For purposes of this State senior property tax exemption, "income" means all income from whatever source derived including but not limited to, realized capital gains and, in their entirety, pension, annuity, retirement and social security benefits.

Outstanding taxes or fees

Applications will not be reviewed for approval until all property taxes, school taxes, sewer service charges, and other funds due to or collectible by New Castle County have been paid, or in instances where the assessed value of the property does not exceed \$78,000 and the applicant is actively enrolled and making monthly payments of any tax or sewer charges due to or collectible by New Castle County as determined by the Office of Finance at the time of application.

Filing Deadline

The filing deadline for this exemption program is June 1st, of each year for the ensuing tax year beginning July 1st, or 30 days following settlement on a new property.

Amount of Tax Exemption

1. Those who apply and meet the qualifications will be exempt from New Castle County property taxes, exclusive of any local light and ditch taxes, to an assessed value of \$32,000 on the principal residence. The remaining assessed value (if any) will be taxable.

Changes in Circumstances

1. If the eligible applicant passes away, the exemption will remain in effect for the entire fiscal year, so long as the surviving spouse remains on the property for which the exemption is granted. The heirs, successors, or assigns are required to provide timely notice to the County of any factor that renders the property no longer eligible for exemption
2. If the applicant's income, or the combined income of the applicant and spouse, increases to more than \$50,000, the applicant is required to notify New Castle County that the property is no longer eligible.

How to Calculate Income

Income is based upon the Adjusted Gross Income on your federal income taxes for the previous calendar year. Social Security and Railroad Tier 1 are not included in the income calculations. If you file federal income taxes, we will need a copy of the 1040 tax form. If not, we will need a copy of a 1099 form from Social Security (even though social security is not included as income), plus interest statements, pension statements, and any other records of income for the applicant and spouse.

Continuing Eligibility

Once an applicant has applied and been found eligible for this program, there is no need to re-apply each year. However, if income levels decrease, the property owner may wish to submit an application for the O65 program, described below.

Qualifications for Senior Exemption – O65

Applicability

This program applies to both New Castle County property taxes and to school district property taxes. Those who are purchasing a home have 30 days from the date of purchase to apply for the exemption. If approved, the exemption will apply to all future taxation.

If a resident who qualifies for a 65 exemption on or before July 1, 2007 transfers his or her property and acquires a new property, the resident may transfer his/her exemption to the new residence upon the submission of a new application for exemption, accompanied by proper documentation of such transfer.

Age

Eligible residents must be at least 65 years of age prior to July 1 of the fiscal year for which exemption is sought. If married and the residence is jointly owned, it is only necessary for one spouse to meet this age requirement.

Residency

Eligible residents must live in the home for which eligibility is being sought. The applicant must have been legally domiciled within the State of Delaware for a period of 3 years immediately preceding October of the pretax year. He/She/They must own the dwelling (the applicant's name must appear on the deed) and it must be their principal residence.

Income To be eligible, the applicant's income must not exceed \$15,000 per year. If married, the combined income of the married couple must not exceed \$19,000 per year.

Outstanding taxes or fees

Applications will not be reviewed for approval until all property taxes, school taxes, sewer service charges, and other funds due to New Castle County have been paid.

Filing Deadline

The filing deadline for this exemption program is June 1st , of each year for the ensuing tax year beginning July 1st, or 30 days following settlement on a new property.

Amount of Tax Exemption

1. Those who apply and meet the qualifications will be exempt from all New Castle County property taxes to an assessed value of \$32,000 for both property and school taxes on the principal residence.
2. Local light and ditch taxes are excluded.

Changes in Circumstances

1. If the eligible applicant passes away, the exemption will remain in effect for the entire fiscal year, so long as the surviving spouse remains on the property for which the exemption is granted. The heirs, successors, or assigns are required to provide timely notice to the County of any factor that renders the property no longer eligible for exemption
2. If the applicant's income increases to more than 15,000, or the combined income of the applicant and spouse, increases to more than \$19,000, the applicant is required to notify New Castle County that the property is no longer eligible.

How to Calculate Income

Income is based upon the Adjusted Gross Income on your federal income taxes for the previous calendar year. Social Security and Railroad Tier 1 are not included in the income calculations. If you file federal income taxes, we will need a copy of the 1040 tax form. If not, we will need a copy of a 1099 form from Social Security, plus interest statements, pension statements, and any other records of income for the applicant and spouse.

Continuing Eligibility

Once an applicant has applied and been found eligible for this program, there is no need to re-apply each year.

Senior Tax Credit Program

Eligibility

The Senior Tax Credit Program is available to all residents age 65 and older. The applicant must turn 65 prior to July 1 of the year in which the application is being made. The applicant must be an owner of the property (his/her name must be on the deed) and the property must be his/her primary residence.

Income

There is no income requirement for this program.

Filing Deadline

The deadline for filing an application is September 1st of each year.

Outstanding taxes or fees. Applications will not be reviewed for approval until all property taxes, school taxes, sewer service charges, and other funds due to or collectible by New Castle County have been paid.

Benefit

Eligible applicants will receive a 50% reduction in school taxes, up to a maximum of \$500. If someone other than the applicant's spouse is a co-owner of the property, the credit will apply only to the applicant's proportionate share.

Effective Date

If the application is filed in a timely manner and the eligibility requirements are met, the credit will be effective for the tax year that began on July 1st of that year.

Additional Information

If a senior citizen has already been approved for an exemption in the NCC65 or O65 program, this credit will be automatically applied and no additional application is necessary.

PENALTY WAIVERS

Eligibility

This reprieve from penalty is available to any social security pensioner (one who is entitled to receive and does receive a social security pension,) who is a resident of New Castle County and obligated to pay County taxes or sewer fees.

Extent of Penalty Waiver

No penalty for late payment of County taxes or sewer fees will be assessed against any social security pensioner for his/her principal residence until after the fifth day of the month following that in which the County tax or sewer fee is due to be paid. If the 5th day falls on a weekend or a County holiday, the penalty will not be assessed until after the next business day.

Proof of Eligibility

Proof of entitlement to this limited exemption from penalty shall be made by providing New Castle County with documentation from the Social Security Administration.

SEWER TAX REDUCTION

Eligibility

This program is available to any New Castle County sewer user who receives a NCC65 or O65 senior property tax exemption for the sewer property.

Extent of Reduction

Those approved for a property tax exemption on or before tax year 2007 will be charged the minimum charge for sewer service, as set by County Council.

Those approved for a property tax exemption in tax year 2008 and thereafter will be charged fifty percent of the total charges, or the minimum bill as set by County Council, whichever is greater.

LATERAL CLEAN OUT COST ASSISTANCE

Eligibility

This assistance is available to any taxpayer who receives a senior property tax exemption for the property which requires a lateral cleanout.

Extent of Assistance

The eligible senior taxpayer may receive up to \$75 annually toward the cost of a sewer lateral cleanout on the property for which an exemption is received. This reimbursement must be applied for by the filing of an application. An original receipt from the plumber performing the work is required.

Call (302) 395-5520 or visit us at 87 Reads Way, New Castle Corporate Commons, for more information or to obtain an application for a senior exemption.

New Castle County Assessment Division

2009

87 Read's Way, Corporate Commons, New Castle, DE 19720-1648

APPLICATION FOR REAL ESTATE OR MOBILE HOME EXEMPTION – Citizens Over Age 65

Tax Year beginning **July 1, 2009**

Parcel # _____

1. Phone # _____

Name _____

2. Soc. Sec.# _____

Address _____

3. Birth date _____

(You must be **65 years old** before **July 1** of the fiscal year for which are applying.)

4. Have you been a legal resident of Delaware since October 1, 2005?
[] Yes [] No—If "NO," then you **do not** qualify.

5. Does the assessed value of your property exceed \$125,000?
[] Yes [] No If "Yes," See qualifications on reverse side for alternative State exemption.

6. Is any portion of this property used for any purpose other than your own residence? [] Yes [] No
If "Yes," explain _____

7. I own the above property: [] Solely [] Jointly

CO-OWNER'S NAME	RELATIONSHIP	ADDRESS	PERCENT SHARE

8. Income for preceding year: **January 1 to December 31, 2008**

(A) Income (Husband & Wife)
(Not including Social Security or R. R. Tier I)

(B) Spouse's Name: _____

Salary, Wages, Tips, Profits	\$ _____
Pensions	\$ _____
Interest/Dividends	\$ _____
Net Rentals	\$ _____
Capital Gains	\$ _____
Other Income	\$ _____

Soc. Sec.# _____
Birth date _____

(C) Joint Owner's Name: (Other than spouse) _____

TOTAL ADJ GROSS INCOME \$ _____

Soc. Sec.# _____
Birth date _____
Total Income _____

9. I filed 2008 Income Tax Returns: [] Federal [] State

(Attach a copy of your **2008 Federal 1040 Form**.)

If you are no longer required to file income taxes, indicate last date filed: _____

I hereby affirm that all information provided herein is true to the best of my knowledge and belief. I attach a copy of all IRS forms filed for the previous calendar year to assist in determining my eligibility for exemption under New Castle County Code. I hereby authorize New Castle County to verify any information relating to my eligibility with the IRS, the State Division of Revenue, or any other governmental agency.

SIGNATURE OF APPLICANT _____ **DATE** _____

(Form is Not VALID without signature)

FOR OFFICE USE ONLY - ACTION ON APPLICATION	
PARCEL NUMBER _____	
TOTAL ASSESSED VALUE: _____	\$ _____
() APPROVED FOR: _____ %	\$ _____
() APPROVED FOR MAXIMUM COUNTY	\$ _____
REMAINING TAXABLE ASSESSMENT	\$ _____
Prop Tax Acct. <input type="checkbox"/> Current	Sewer Service Acct. <input type="checkbox"/> Current
<input type="checkbox"/> Balance Due	<input type="checkbox"/> Balance Due
APPROVED OR DENIED BY _____	DATE _____
Approval Code:: A(County & School) _____	B(County Only) _____
REASON FOR DENIAL _____	

**QUALIFICATION FOR EXEMPTION FOR RESIDENTS
65 YEARS OLD AND OLDER**

- This program and the eligibility requirements relating thereto are established by *Division 14, Article VI, Chapter 14 of the New Castle County Code*.
- You must be **65 years old** before **July 1** of the fiscal year for which you are applying for the exemption.
- Assessed property value must not exceed \$125,000. For those whose assessed value exceeds \$125,000, the State senior property tax exemption (\$5,000) for those with incomes not in excess of \$3,000 shall apply.
- You and/or your spouse must be owners of record and reside on the property as your principal residence. The applicant must have been a legal resident of the State for a period of 3 years immediately preceding October of the pretax year, as set forth in Chapter 81 of Title 9 of the Delaware Code.
- No application shall be approved unless all taxes and sewer service charges then due to or collectible by New Castle County have been paid in full, or in instances where the assessed value of the property for which the application is made does not exceed \$78,000 and the applicant is actively enrolled and making monthly payments of any tax or sewer charges due to or collectible by New Castle County as determined by the Office of Finance at the time of application.
- Income used is **adjusted gross income** as reported to the Internal Revenue Service on your Federal Income Tax form (1040). This would be income for the **previous calendar year**. **THE INCOME LIMITS REMAIN THE SAME, EVEN IF YOU DO NOT FILE A TAX RETURN.**
 - A. For a single person, the income must be less than **\$15,000**. (NOT INCLUDING SOCIAL SECURITY OR RAILROAD RETIREMENT TIER I) **in order to receive a reduction in both County and School taxes.** The income must be less than **\$50,000** (NOT INCLUDING SOCIAL SECURITY OR RAILROAD RETIREMENT TIER I) **in order to receive a reduction in County tax only.**
 - B. For a couple on a joint return the income must be less than **\$19,000**. (NOT INCLUDING SOCIAL SECURITY OR RAILROAD RETIREMENT TIER I) **in order to receive a reduction in both County and School taxes.** The income must be less than **\$50,000** (NOT INCLUDING SOCIAL SECURITY OR RAILROAD RETIREMENT TIER I) **in order to receive a reduction in County tax only.**

**Income Limits for Reduction
in County & School Taxes**

\$15,000 - SINGLE PERSON
\$19,000 - MARRIED COUPLE

**Income Limits for Reduction
in County Taxes Only**

\$50,000 – REGARDLESS OF
MARITAL STATUS

**THIS APPLICATION MUST BE RETURNED BY
June 1, 2009**

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1. If the application is approved, the maximum amount of the exemption is \$32,000. The remainder of the assessment (if any) is taxable.
 2. If you own the property with anyone other than your spouse, you will be exempt on your percentage of the total assessment up to \$32,000.
 3. If you receive your sewer service from New Castle County, and your exemption was granted on or before July 1, 2007, your sewer service shall be charged in accordance with a fee adopted by ordinance of County Council. Those approved for the exemption in tax year 2008 and thereafter, the sewer service charge shall be billed at fifty percent of the total charges, or the minimum bill as set by County Council, whichever is greater.
 4. Once approved, it is your responsibility to notify New Castle County if, in the future, you no longer meet the eligibility requirements for this exemption.
 5. **Please note:** If you sell your property, this exemption cannot be transferred to your new home, unless you were receiving the exemption prior to July 1, 2007. All others must reapply within 30 days of settlement, and the exemption will be effective for any future taxes. If you fail to file within 30 days of settlement, you will not be eligible to apply again until the next fiscal year for your new property.
 6. If your application is approved, and you receive your sewer service from New Castle County, you may be eligible for Sewer Lateral Clean-Out Reimbursement. Further information on the program may be obtained by calling the **Land Use Department, Assessment Div. at (302) 395-5520**.