



## 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) 395-5400 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. Property owners receive two separate bills. 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!

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## **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.

### **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 be 65 years of age.

### **Residency**

Eligible residents must live in the home for which eligibility is being sought. 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. If married, the combined income of the married couple must not exceed \$50,000\* per year.

\* Effective July 1, 2005. Quarterly abatements prior to July 1 will be based upon \$40,000 income.

### **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.

### **Filing Deadline**

The filing deadline for this exemption program is June 1<sup>st</sup>. Those who meet all eligibility requirements as of July 1<sup>st</sup>, but fail to file in a timely manner may be eligible for a quarterly abatement of their New Castle County property taxes only, depending on when the application is filed.

### **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 \$50,000\* on the principal residence.

2. Local light and ditch taxes are excluded.

\* Effective July 1, 2005. Quarterly abatements prior to July 1 will be based upon \$40,000 exemption.

### **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, 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 both to 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.

### **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 be 65 years of age.

### **Residency**

Eligible residents must live in the home for which eligibility is being sought. 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 1<sup>st</sup>. Those who meet all eligibility requirements as of July 1<sup>st</sup>, but fail to file in a timely manner may be eligible for a quarterly abatement of their New Castle County property taxes, depending on when the application is filed.

### **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 school taxes and \$40,000 for New Castle County property 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 any 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 1<sup>st</sup> 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 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 1<sup>st</sup> 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 5<sup>th</sup> 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 sewer user who receives a senior property tax exemption for the sewer property.

### **Extent of Abatement**

Those receiving a property tax exemption will be charged the minimum charge for sewer service.

## **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) 395-5400 or visit us at 87 Reads Way, New Castle Corporate Commons for more information or to obtain an application for senior exemption.

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