

Senior Citizen Assessment Freeze Program

Facts

1. The Senior Citizen Assessment Freeze (the *Freeze*) provides tax savings to qualifying seniors by freezing equalized assessed values (*EAVs*). It does not freeze taxes.
2. Seniors qualify for the freeze if they are 65 or older, have household income less than \$55,000 per year, and apply for the *Freeze each* year.
3. The Senior Citizen Assessment Freeze freezes the *EAV* of the home at the level it was the year before the senior first qualified for the *Freeze* (this is called the *Base*).
4. Taxes for *Freeze* recipients can change each year (up or down) as local tax rates go up or down. For example, if this year's tax rate is 5% higher than last year's, the senior's tax bill will increase 5% this year.
5. An assessment appeal will *never* cause a senior's tax bill to increase.
6. An assessment appeal will *never* cause the senior to lose the *Freeze*.
7. A senior will lose the Freeze if they do not re-apply in a given year or if their household income increases above \$55,000 in that year.
8. An assessment reduction will cause the *Freeze Exemption* (the deduction off the tax bill) to shrink, but it will not cause the tax bill to increase (see illustration below).
9. If an assessment is reduced below the *Base* in a given year, the *Freeze Exemption* (the deduction off the tax bill) for that year will be \$0, the senior will save money that tax year, the *Base* may be reduced and, if the base is reduced, the taxpayer will experience a tax savings for so long as they remain in the *Freeze* program because of the reduced *Base* (see illustration below).

Illustrations

A senior receives an assessment reduction because of a successful tax appeal. The Senior Citizen Assessment Freeze Exemption will be reduced as a result of the assessment reduction, but the senior's tax bill will remain the same.

	Tax without Assessment Reduction	Tax with Assessment Reduction
2014 Proposed Assessed value	25,000	25,000
2014 Assessed Value (after reduction)		22,000
2014 State Equalization Factor	X 2.7253	X 2.7253
2014 Equalized Assessed Value (EAV)	68,133	59,957
2014 Local Tax Rate	6.808%	6.808%
2014 Total Tax Before Exemptions	4,638.46	4,081.85
Homeowner's Exemption	(476.56)	(476.56)
Senior Citizen's Exemption	(340.40)	(340.40)
Senior Citizen Assessment Freeze Exemption *	(1,610.94)	(1,054.33)
2014 Tax After Exemptions	\$2,210.56	\$2,210.56

* Assumes the senior first obtained the *Freeze* in 2001; that the assessment in 2000 was 20,000; and, that the *Base* was 44,470 (2000 assessment of 20,000 x 2000 State Equalization Factor of 2.2235).

A senior receives an assessment reduction because of a successful tax appeal and the EAV is reduced below the Base. The senior will save money that year and in future tax taxes because the Base has been lowered.

	Tax without Assessment Reduction	Tax with Assessment Reduction
2014 Proposed Assessed value	25,000	25,000
2014 Assessed Value (after reduction)		18,000
2014 State Equalization Factor	X 2.7253	X 2.7253
2014 Equalized Assessed Value (EAV)	68,133	49,055
2014 Local Tax Rate	6.808%	6.808%
2014 Total Tax Before Exemptions	4,638.46	3,339.69
Homeowner's Exemption	(476.56)	(476.56)
Senior Citizen's Exemption	(340.40)	(340.40)
Senior Citizen Assessment Freeze Exemption *	(593.69)	(0.00)
2014 Tax After Exemptions	\$3,227.81	\$2,522.73

* Assumes the senior first obtained the *Freeze* in 2012; that the assessment in 2011 was 20,000; that the original *Base* was 59,412 (2011 assessment of 20,000 x 2011 State Equalization Factor of 2.9706; and, that the new *Base* has been reduced to 49,055 (2014 assessment of 18,000 x 2014 equalizer of 2.7253). In this case the exemption is zero because the *Base* has been lowered to 49,055 from 59,412.