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## TOWN OF NEWTOWN

### TOWN OF NEWTOWN PUBLIC HEARING WEDNESDAY, MAY 7, 2014 NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

**PRESENT:** Ryan Knapp, Neil Chaudhary, Mary Ann Jacob, Phil Carroll, Dan Honan, Anthony Filiato, Joe Girgasky, Bob Merola, Lisa Romano, Paul Lundquist, Dan Amaral, George Ferguson (Arrived 7:10)

**ALSO PRESENT:** First Selectman Pat Llodra, Finance Director Bob Tait, 14 Members of the public, one member of the press.

**CALL TO ORDER:** Mr. Knapp called the hearing to order at 7:00PM.

**VOTER COMMENT:**

Lou Polonkay, 32 Watkins Dr., asked what is the rationale for not allowing individuals to claim losses which are permitted for federal and state purposes, if losses are allowed, what happens to carry overs. He questioned qualified total assets and what specifically it includes. Feels this ordinance is going to eliminate people who previously had the benefit.

Michele Assante, 16 Wendover Rd., does not support assistance unless there is a proven need. Disagrees with raising the income limit and allowing deductions. She supports this program only if it is based on need and there should be an asset test.

Margaret Daley, 14 Bridge End Farm Lane, has her house for sale because of tax increase. She supports the ordinance and hoping it can help them stay. She asked if the deduction for military vets can be taken in addition to the senior tax relief.

Jane Calverley, 6 Hopewell Rd., appreciates tax relief but doesn't like the asset requirement. She never had children in the school system. Believes all seniors should receive tax relief.

Michele Assante, has lived in town 20 years and has no children in the school system.

**ADJOURNMENT:** There being no further comments, the hearing was adjourned at 7:18PM.

Respectfully Submitted,

Carey Schierloh  
Recording Secretary

Attachment: Senior Tax Relief Ordinance

*These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.*

4/10/145/7/14

DRAFT Ord. No. 45A Possible Revisions  
Recommended Non-substantive Changes

Public Hearing Version With

Chapter 208. Taxation

Article I. Tax Relief for Seniors and Totally Permanently Disabled

§ 208-1 Purpose.

The Town of Newtown hereby modifies its program of tax relief for the elderly pursuant to § 12-129n of the General Statutes of Connecticut for eligible residents of the Town of Newtown for the fiscal year commencing July 1, 2014, on the terms and conditions provided herein.

§ 208-2 Tax credit granted; eligibility.

Any person who owns real property in the Town of Newtown or who is liable for the payment of taxes thereon pursuant to § 12-48 of the Connecticut General Statutes and who occupies said real property as a residence and who fulfills the following eligibility requirements shall be entitled, subject to the limits, if any, of § ~~208-8~~, to tax relief pursuant to § 12-129n of the Connecticut General Statutes in the form of a tax credit which may be reviewed and established by the Legislative Council for succeeding fiscal years, provided that any such revision for a subsequent fiscal year shall be made prior to the time when the Legislative Council makes its final proposed budget recommendation for said fiscal year. The First Selectman may contact the Chairman of the Legislative Council on or before February 1 of each calendar year to discuss such possible review.

A.

- (i) Such person is 65 years of age or over as of July 1 following his/her application; or his or her spouse living with said person is 65 years of age or over as of July 1 following his/her application; the surviving spouse, 60 years or over as of July 1 following his/her application, of a taxpayer who has qualified in Newtown under this article at the time of his or her death.
- (ii) Such person is under age 65 years of age and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or has not been engaged in employment covered by Social Security and accordingly has not qualified for benefits thereunder, but has become qualified for permanent total disability benefits under any federal, state, or local government retirement or disability plan, including the Railroad Retirement Act and any government-related teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security.

B.

Such person has resided at and paid real estate taxes on a residence located in Newtown for a period of one year prior to his or her application for tax relief.

C.

The property for which the exemption is claimed is the legal domicile of such person and is occupied more than 183 days of each year by such person.

D.

Such person shall have applied for property tax relief under any state statutes for which he/she is eligible. If such applicant has not applied for tax relief under any state statute because he/she is not eligible, he/she shall so certify by filing on a form acceptable to the Tax Collector an affidavit testifying to his/her ineligibility.

E.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, bi-annual reapplication shall be required.

Comment [RK1]: See P Llodra 5/2/14 email line 2.

F.

Such person shall have individually, if unmarried, or jointly, if married, Modified Income (as hereinafter defined) not more than established by resolution of the Legislative Council in accordance with this section.

Modified Income shall be calculated as follows, based on the tax year ending immediately preceding the application for tax relief benefits:

Federal adjusted gross income, as defined in the Internal Revenue Code of 1986, as may be amended from time to time ("AGI")	\$XXX
PLUS:	
Social security/railroad retirement benefits not included in AGI	\$XXX
Tax-exempt interest income	\$XXX
Net losses per Form 1040 (used to arrive at AGI)	\$XXX
Business losses per Form 1040	\$XXX
Capital losses per Form 1040	\$XXX
Other losses per Form 1040	\$XXX
Schedule E losses per Form 1040	\$XXX
Farm losses per Form 1040	\$XXX
Net operating losses per Form 1040	\$XXX
Disability income not included in AGI	\$XXX
MINUS	
Unreimbursed gross medical expenses qualifying as and included on a federal income tax return of the calendar year immediately preceding the year of application as an itemized deduction in excess of 7.5% of AGI (per form 1040, Schedule A)	(\$XXX)

(Deduction of unreimbursed gross medical expenses effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015)

Comment [RK2]: See P Llodra 5/2/14 email line 4.

For the 2014-2015 fiscal year and subsequent fiscal years (unless changed by the Legislative Council in accordance with this section), the Modified Income levels for the prior calendar year and the corresponding Maximum Available Tax Credits for those levels shall be as follows:

Reference Designation	Modified Income Level	Maximum Available Tax Credit
Group A	\$0 to \$45,000	\$2,000 \$2,525
Group B	\$45,001 to \$55,000	\$1,500 \$1,750
Group C	\$55,001 to \$65,000	\$1,300
Group D	\$65,001 to \$70,000	\$800

Comment [RK3]: See P Llodra 5/2/14 email line 1.

Modified Income levels and corresponding Maximum Available Tax Credits are subject to change upon resolution by the Legislative Council, which may base such changes on recommendations to the Legislative Council from the Office of The First Selectman. Current Modified Income levels and corresponding Maximum Available Tax Credits shall be made available to the public in the office of the Tax Collector.

G.

An applicant will be disqualified if he/she owes taxes in the Town of Newtown more than six months delinquent.

H.

Any application for tax relief must be filed by any person who fulfills the eligibility requirements in this article.

I.

The tax credit on real property as provided herein shall only apply to the residence itself, the lot on which the residence is located and improvements on said lot.

J.

All applications and supporting information filed with the Town shall be treated as confidential documents.

K.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, any applicant who qualifies for property tax relief hereunder shall have individually, if unmarried, or jointly, if married, a qualifying total asset value not exceeding an amount that shall be annually established upon resolution by the Legislative Council no later than September 30 prior to the next applicable fiscal year (the "QTAV Limit"). Qualifying total asset value shall consist of any and all assets of the applicant individually, if unmarried, or jointly, if married, as of the date of the application but shall specifically exclude the value of the applicant's primary legal residence and all tangible personal property contained therein. Each applicant shall make a sworn statement in a form satisfactory to the Tax Collector that such applicant's qualifying total asset value does not exceed the QTAV Limit. The QTAV Limit as set forth in this section 208-2(K) is subject to change upon resolution by the Legislative Council, and the current QTAV Limit shall be made available to the public in the office of the Tax Collector.

L.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, the property tax relief available hereunder shall be available for one (1) residence only collectively for each applicant individually, if unmarried, or jointly, if married, and shall not be available to any residence with an assessed value in excess of two hundred (200) percent of the median assessed value of residences assessed during each of the prior assessment years, October 1 to September 30, since the inception of the last town-wide revaluation as calculated by the Assessor (the "Assessed Value Limit"). The Assessed Value Limit as set forth in this section 208-2(L) is subject to change upon resolution by the Legislative Council, and the current Assessed Value Limit shall be made available to the public in the office of the Tax Collector.

#### § 208-3 Application deadline.

In order to be entitled to the benefits provided herein, an application must be filed with the Tax Collector of the Town of Newtown not earlier than March 1 nor later than May 15 (June 15<sup>th</sup>, 2014, in the case of 2014 fiscal year applications) to obtain the benefits provided herein for the next fiscal year.

Comment [RK4]: See P lloora 5/2/14 email line 3.

The application for tax relief must be made after such person becomes eligible to apply as set forth above.

§ 208-4 Maximum allowable tax credit.

The total of all tax credits granted under the provisions of this article shall not in any taxable year exceed an amount equal to 10% of the total real property tax assessed in Newtown in the preceding tax year.

§ 208-5 Limitations on credit.

Only one tax credit as heretofore set forth shall be allowed for each parcel of land eligible for the tax relief under this article. In any case where title to real property is recorded in the name of the taxpayer or his or her spouse who are eligible for tax relief and any other person or persons, the tax relief under this article shall be prorated to allow a tax credit equivalent to the fractional share in the property of such tax payer or spouse, and the persons not otherwise eligible for tax relief shall not receive any tax credit.

§ 208-6 Waiver of lien rights.

The Town of Newtown hereby waives any lien rights given to it by § 12-129n of the General Statutes of the State of Connecticut.

§ 208-7 Limitation on reduction in total tax.

No person's normal real estate tax shall be reduced by more than 75% by virtue of said credit provided by this article, together with all tax relief benefits obtained by said person from the State of Connecticut pursuant to state law.

§ 208-8 Limitation on total amount of relief granted.

For each fiscal year the total revenue loss to the Town from the program, together with all other elderly real property tax relief benefit programs pursuant to state law, exclusive of any tax deferral programs that may from time to time be enacted, shall not exceed the amount appropriated in said fiscal year's annual budget for the program (the "Cap Amount"). The portion of the Cap Amount to be allocated for tax credits to qualified applicants in the Groups A-C Modified Income levels (the "Groups A-C Cap") and the Group D Modified Income level (the "Group D Cap") shall be established upon resolution by the Legislative Council. For the fiscal year commencing July 1, 2014, the Groups A-C Cap shall be \$1,500,000 and the Group D Cap shall be \$150,000. In the event that the number of qualified applicants in one or more of the Modified Income levels is such that providing the Maximum Available Tax Credit to each such applicant would result in revenue loss exceeding the Cap Amount or tax credits not equal to the Groups A-C Cap or the Group D Cap, the Tax Collector shall utilize the following method to determine the actual tax credits received by qualified applicants:

A.

If the product of (i) the number of qualified applicants in the Group D Modified Income level and (ii) the corresponding Maximum Available Tax Credit (the "Group D Applied Tax Credit") is more than the Group D Cap, then the tax credits available to qualified applicants in the Group D Modified Income level shall

be reduced on a pro-rata basis such that the total amount of tax credits for such applicants does not exceed the Group D Cap. If the Group D Applied Tax Credit is less than or equal to the Group D Cap, the excess funds, if any, (the "Group D Surplus") shall be allocated to fund tax credits for qualified applicants in the Groups A-C Modified Income levels.

B.

If the product of (i) the number of qualified applicants in the Groups A-C Modified Income levels and (ii) the corresponding Maximum Available Tax Credit (the "Groups A-C Applied Tax Credit") is more than the sum of (iii) the Groups A-C Cap and (iv) the Group D Surplus, if any, (the "Groups A-C Allocation") then the tax credits available to qualified applicants in the Groups A-C Modified Income levels shall be reduced on a pro-rata basis such that the total amount of tax credits for such applicants does not exceed the Groups A-C Allocation. If the Groups A-C Applied Tax Credit is less than or equal to the Groups A-C Allocation, the excess funds, if any, (the "Groups A-C Surplus") shall be made available to fund the following fiscal year's Legislative Council Approved Senior Tax Abatement budget allocation.

The Cap Amount, the Groups A-C Cap, the Group D Cap, and the method utilized to determine the actual tax credits to be received by qualified applicants may be revised by the Legislative Council in the same manner as the Modified Income levels and corresponding Maximum Available Tax Credits may be revised pursuant to § 208-2.



Ryan Knapp <[ryan.w.knapp@gmail.com](mailto:ryan.w.knapp@gmail.com)>

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**proposed modification to the Senior Tax Tax Relief Program ordinance**

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Llodra, Pat <[pat.llodra@newtown-ct.gov](mailto:pat.llodra@newtown-ct.gov)>

Fri, May 2, 2014 at 11:12 AM

Reply-To: [pat.llodra@newtown-ct.gov](mailto:pat.llodra@newtown-ct.gov)

To: "Jacob, Mary Ann" <[mjacob4404@charter.net](mailto:mjacob4404@charter.net)>, Ryan Knapp <[ryan.w.knapp@gmail.com](mailto:ryan.w.knapp@gmail.com)>

Here are the four areas in which we are seeking clarification in the Senior Tax Relief Ordinance and process for application.

1. 1) The tax credits are as follows: 0 to \$45,000 the tax credit is \$2,525.00, \$45,001 to \$55,000 the tax credit is \$1,750.00 and the \$55,001 to \$65,000 is \$1300.00. (This was incorrectly represented in the ad.)
2. 2) New applications for tax relief may be submitted annually. Once accepted into the program, re-applications are to be submitted bi-annually.
3. 3) The final day to apply for this program for this year - 2014- be changed to June 1<sup>st</sup>. In all subsequent years, applications must be submitted by May 15<sup>th</sup>.
4. 4) the addition of the new Medical deduction begin next year (2015) as we have already qualified taxpayers for this year without that part of the process in place.



Ryan Knapp <ryan.w.knapp@gmail.com>

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**Fwd: Tax Relief for Seniors**

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Mary Ann Jacob <mjacob4404@charter.net>  
To: Ryan Knapp <ryan.w.knapp@gmail.com>

Tue, Apr 22, 2014 at 4:02 PM

FYI

Sent from my iPhone

Begin forwarded message:

**From:** Mary Ann Jacob <mjacob4404@charter.net>  
**Date:** April 22, 2014 at 3:58:46 PM EDT  
**To:** "carol.mahoney@newtown-ct.gov" <carol.mahoney@newtown-ct.gov>  
**Subject:** Re: Tax Relief for Seniors

Hi Carol,

Unfortunately it has already Ben filed with the bee and I'm not sure we can change at this point.

Let me check, the hearing is not until the 7th of May.

Mary Ann

Sent from my iPhone

On Apr 22, 2014, at 3:51 PM, "Mahoney, Carol" <carol.mahoney@newtown-ct.gov> wrote:

Hi Maryann

I am home still recuperating from my surgery and will be back part time next week, can we make the deadline for the applications June 1st instead of the 15th because all of our info has to be entered into the computer by the beginning of June in order for the bills to be printed by our software company, that will give them an extra 2 weeks to apply, this will create quite a problem if we extend it to the 15th, please call me at 426-0336 to discuss if it would be easier,  
thanks Carol



Ryan Knapp &lt;ryan.w.knapp@gmail.com&gt;

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**Senior Tax Relief**

1 message

Alisa Robinson &lt;alisa.robinson@ymail.com&gt;

Wed, May 7, 2014 at 5:18 PM

Reply-To: Alisa Robinson &lt;alisa.robinson@ymail.com&gt;

To: "george-ferguson@earthlink.net" <george-ferguson@earthlink.net>, "jgnewtownct@yahoo.com" <jgnewtownct@yahoo.com>, "lundquist.paul@gmail.com" <lundquist.paul@gmail.com>, "merola1lc@sbcglobal.net" <merola1lc@sbcglobal.net>, "ryan.w.knapp@gmail.com" <ryan.w.knapp@gmail.com>, "danielthonan@gmail.com" <danielthonan@gmail.com>, "mjacob4404@charter.net" <mjacob4404@charter.net>, "lisa4ct@gmail.com" <lisa4ct@gmail.com>, "amaralpoggy@aol.com" <amaralpoggy@aol.com>, "nkc@thechaudharyfamily.com" <nkc@thechaudharyfamily.com>, "tonyfilato@ymail.com" <tonyfilato@ymail.com>, "ppcarroll13@gmail.com" <ppcarroll13@gmail.com>

Dear Legislative Council Members:

Any senior applying for tax relief must show proof of need before tax relief is granted. I oppose the plan to allow seniors tax relief without certification of assets.

Sincerely,

Alisa Robinson  
16 Rowledge Pond Rd.



Ryan Knapp <ryan.w.knapp@gmail.com>

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**No proof of assets should mean no tax relief**

2 messages

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Charles Hepp <chepp@mac.com>

Wed, May 7, 2014 at 5:00 PM

To: George Ferguson <george-ferguson@earthlink.net>, jgnewtownct@yahoo.com, lundquist.paul@gmail.com, merola1lc@sbcglobal.net, ryan.w.knapp@gmail.com, danielthonan@gmail.com, mjacob4404@charter.net, lisa4ct@gmail.com, amaralpoggy@aol.com, nkc@thechaudharyfamily.com, tonyfiliato@ymail.com, ppcarroll13@gmail.com

Dear Legislative Council Members:

As a taxpayer and voter, I would like to inform the entire Legislative Council of my opposition to the plan to grant tax relief to seniors without confirming their assets. In my opinion, seniors requesting tax relief should show proof of their need including asset certifications before any tax relief is granted.

Thank you,  
Charles Hepp  
4 Winter Ridge Road  
Sandy Hook

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Mary Ann Jacob <mjacob4404@charter.net>

Wed, May 7, 2014 at 5:12 PM

To: Charles Hepp <chepp@mac.com>

Cc: George Ferguson <george-ferguson@earthlink.net>, "jgnewtownct@yahoo.com" <jgnewtownct@yahoo.com>, "lundquist.paul@gmail.com" <lundquist.paul@gmail.com>, "merola1lc@sbcglobal.net" <merola1lc@sbcglobal.net>, "ryan.w.knapp@gmail.com" <ryan.w.knapp@gmail.com>, "danielthonan@gmail.com" <danielthonan@gmail.com>, "lisa4ct@gmail.com" <lisa4ct@gmail.com>, "amaralpoggy@aol.com" <amaralpoggy@aol.com>, "nkc@thechaudharyfamily.com" <nkc@thechaudharyfamily.com>, "tonyfiliato@ymail.com" <tonyfiliato@ymail.com>, "ppcarroll13@gmail.com" <ppcarroll13@gmail.com>

Thank you for your email.

Sent from my iPhone  
[Quoted text hidden]



Ryan Knapp &lt;ryan.w.knapp@gmail.com&gt;

**Regarding Senior Tax Relief**

1 message

massante@earthlink.net &lt;massante@earthlink.net&gt;

Wed, May 7, 2014 at 6:38 PM

Reply-To: massante@earthlink.net

To: george-ferguson@earthlink.net, jgnewtownct@yahoo.com, lundquist.paul@gmail.com, merola1lc@sbcglobal.net, ryan.w.knapp@gmail.com, danielthonan@gmail.com, mjacob4404@charter.net, lisa4ct@gmail.com, amaralpoggy@aol.com, nkc@thechaudharyfamily.com, tonyfiliato@ymail.com, ppcarroll13@gmail.com

Cc: massante@earthlink.net

To all members of Newtown's Legislative Council,

While I appreciate and agree with the desire to assist those in our community who are having financial difficulty, I believe it is unfair if that assistance is not based upon proven need for such assistance.

The proposed ordinance change both raises the adjusted income limit to \$70,000 allowing for many reductions to that adjusted income - (medical and other expenses) - which essentially means that a participant may be earning a gross income that far exceeds \$70,000. To couple that very liberal amount of income with approval of applicants without any asset test seems to me that we're not really focused on relieving someone who is in need but instead giving a break on taxes based on what services a resident has determined does not benefit him/her or a service that he/she are no longer using.

I have been in the room while many of the folks who are requesting this relief without asset test, talk along with some of our elected officials talk about the "two-thirds" of households that do not have kids in school and that it is unfair that they should shoulder the burden of the rising cost of Education. To me, this new "tier" of Tax relief seems aimed more at that issue and also at the inequity in the recent Property Revaluation rather than helping those in need.

I have several concerns:

1. We are possibly taking funds away from those truly in need by allowing someone is not in need to participate who may be able to manipulate their personal balance sheet to join the program.
2. If this is truly based on need, why not look at other Newtown residents - not yet 65, who are struggling and earning far less
3. We are playing into a belief that a competitive school system is valuable to a community only if you are using it at that moment. According the 2012 only 56.7% of our 9800 households have no related children under 18 within them. Those that don't have children might soon have them or may have just sent them off to college. At a cost of roughly \$12K per year per child, the average homeowner needs to pay about \$156K per Child for their 13 years of public school. If someone has 2 Children it would be twice that. So, in effect, Seniors whose children were educated here and families who haven't started their children in school yet need to understand that their invoice will not be fully paid -by a long shot in most cases- by simply paying taxes while their kids attend School.
4. Most important to me, personally, is the culture of division we are creating here. As I said more than 2 years ago when I first heard the one third comment, I don't want to live in a town where people haggle constantly over supporting only what is good for them, or good for them at that moment. I want to live in a community that fosters fairness, unity and compassion.
5. I could list many scenarios that could arise (I'm sure some of you have already thought about this too) where - if this is not "needs" based, but "use" based the town will have to accommodate many more residents - what about those who send their children to private school, or have no children etc. etc.

I hope that you will consider these comments and please add them to the record - rushed as this note was, I think it is important to get these ideas and concerns on the table.

Michele Assante  
16 Wendover Rd.  
Newtown Ct.



Ryan Knapp &lt;ryan.w.knapp@gmail.com&gt;

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**Senior Tax Relief**

1 message

Robin Fitzgerald &lt;rff222@aol.com&gt;

Wed, May 7, 2014 at 4:34 PM

To: george-ferguson@earthlink.net, jnewtownct@yahoo.com, lundquist.paul@gmail.com, merola1c@sbcglobal.net, ryan.w.knapp@gmail.com, danielthonan@gmail.com, mjacob4404@charter.net, lisa4cl@gmail.com, amaralpoggy@aol.com, nkc@thechaudharyfamily.com, tonyfiliato@ymail.com, ppcarroll13@gmail.com

Dear Members of the Legislative Council:

As a taxpayer and voter, I would like to inform the entire Legislative Council of my opposition to the plan to grant tax relief to seniors without confirming their assets. In my opinion, seniors requesting tax relief should show proof of their need including asset certifications before any tax relief is granted.

I fully support tax relief for those seniors (and families) who need it to make ends meet in these trying economic times, however the program must be fair to those who receive it and those taxpayers who pay for the program. Some of Newtown's working families and Seniors, who are on the threshold of qualifying for relief, also struggle and not verifying assets before awarding tax relief would put a larger burden on these taxpayers.

Thank you for taking care of our Seniors. We need their wisdom and experience to stay in our community.

Regards,

Robin Fitzgerald  
24 Old Farm Hill Road