Fairfield Taxpayer

# THIRD, PLEASE, "HELP THE SENIORS WHO NEED IT MOST"

## PROPOSED CHANGES TO SENIOR & DISABLED TAX RELIEF PROGRAM – PART III

*Fairfield Taxpayer* (FT) continues to believe[1] that the changes to Fairfield's Senior & Disabled Tax Relief (SDTR) Program proposed by the RTM's SDTR Committee (the "Committee") are not in the Town's best interests because:

- The additional $0.8 million in spending (a 23% increase) will go largely to relatively wealthy seniors (some of them millionaires) who either don't need tax credits or who will not stay in their homes any longer simply because they get a small tax credit; and
- The likely much greater increase in the number of participants than the 23% increase in funding means that credits to current participants would have to be cut unless provisions are made to protect them, which would mean a two-tier system in which new participants would get much lower credits and current participants would get no increases.

In short, the changes proposed by the Committee would give credits to some seniors who don't need them, would deny adequate credits to some seniors who do need them, would deny needed increases to some current participants, would be very complicated to understand and administer, would create recurring "proration" problems every year, and may not even be legal if a two-tier system were deemed to be discriminatory. As a result, ***rather than keeping more seniors in their homes longer than they would otherwise have stayed, it is quite possible that more seniors will sell their homes than would have if we made no changes***.

FT continues to recommend that no changes to the SDTR Program should be approved until the Committee demonstrates that the program is actually keeping seniors in their homes longer than they would otherwise stay, that it will work even better as a result of any proposed changes, that rational metrics have been established to assess its effectiveness, and that current participants will not be hurt.

The purpose of this paper, our fourth on the subject, is to present an "Alternative B" proposal, which (like our earlier Alternative A), **is expressly not presumed to be optimal, but is instead offered to illustrate how we believe the Committee and others should think about our options, and to provide a framework for informed public debate.**

### Why an Alternative B?

Fairfield Taxpayer is providing an Alternative B for three reasons:

1. Alternative A mistakenly applied the State statutory cap of 75% only to Local tax credits and not to combined Local and State credits.
2. Alternative A assumed a greater increase in SDTR funding ($1.3 million) than the $0.8 million that would apply to FY20, which made direct comparisons to the Committee's proposals more difficult.
3. Alternative B sharpens the focus on what we should be trying to accomplish, which is to get as many lower-income homeowners to the maximum 75% credit allowed under state law.

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[1] For FT's earlier papers on this subject please see: "*First, Please, Do No Harm*," "*Second, Please, Millionaires Don't Need Tax Credits*," and "*Ten Reasons to Reconsider the Proposed Changes to the SDTR Ordinance*," at www.FairfieldTaxpayer.com.

Applying the 75% statutory cap to both Local and State credits changes some of the numbers, **but it does not change any of our earlier conclusions, the most important of which is that the Committee's proposal would benefit the rich at the expense of the poor**. For example, the Committee wants to give **$1,100** to a median-value homeowner who is spending only **12%** of his/her **$90,000** income on taxes instead of giving that money to a homeowner in the same median-value home who must currently spend three times more, or **36%**, of his/her **$14,000** income on property taxes.

**Comparisons of Proposed Changes to Credit Limits**

The table below shows the current and proposed limits for each income bracket from the Committee compared to Alternative B. Instead of raising every dollar credit limit by $500, as proposed by the Committee, Alternative B increases the limits for lower income brackets much more than for higher income brackets. Alternative B also raises the "percentage" credits for lower incomes more than for higher incomes. As stressed in our earlier papers, the specific "percentage of tax" and "dollar" limits we have used in Alternative B are not presumed to be optimal. They are merely designed to illustrate how we believe the Committee should think about our policy options, and to provide a framework for informed public debate.

| Credit Limit Comparisons | | | | | | | |
|---|---|---|---|---|---|---|---|
| Income Brackets | | Current | | Committee | | Alternative B | |
| Low | High | % of Tax | Dollars | % of Tax | Dollars | % of Tax | Dollars |
| $0 | $17,600 | 67% | $5,000 | 75% | $5,500 | 75% | $8,000 |
| $17,601 | $25,100 | 60% | $4,500 | 66% | $5,000 | 70% | $7,000 |
| $25,101 | $31,000 | 50% | $3,700 | 55% | $4,200 | 60% | $6,000 |
| $31,001 | $37,100 | 42% | $3,500 | 46% | $4,000 | 50% | $5,000 |
| $37,101 | $45,600 | 33% | $2,700 | 36% | $3,200 | 35% | $3,500 |
| $45,601 | $53,200 | 25% | $2,000 | 28% | $2,500 | 27% | $2,500 |
| $53,201 | $73,500 | 15% | $1,400 | 17% | $1,900 | 15% | $1,500 |
| $75,100 | $90,000 | 0% | $0 | 10% | $1,200 | 0% | $0 |

**What Difference Does It Make?**

The difference between the Committee's Proposal and Alternative B is most apparent in the side-by-side comparison in the tables below of the proposed increases in total credits by income bracket and home value. The Committee gives the biggest increases to higher income brackets; in contrast, Alternative B gives the biggest increases to lower income brackets, and particularly to those with low incomes who are living in higher-value homes.

| | CHANGE IN TOTAL CREDITS AT VARIOUS HOME VALUES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | COMMITTEE PROPOSAL | | | | | ALTERNATIVE B | | | | |
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 0% | 0% | 0% | 8% | 8% | 0% | 0% | 0% | 38% | 41% |
| $21,900 | 0% | 4% | 9% | 9% | 9% | 0% | 4% | 12% | 47% | 47% |
| $28,700 | 8% | 9% | 12% | 12% | 12% | 24% | 17% | 25% | 31% | 31% |
| $34,800 | 8% | 9% | 9% | 13% | 13% | 17% | 17% | 17% | 26% | 26% |
| $42,250 | 9% | 9% | 9% | 18% | 18% | 6% | 6% | 6% | 11% | 11% |
| $50,550 | 12% | 12% | 12% | 25% | 25% | 8% | 8% | 8% | 13% | 13% |
| $64,800 | 13% | 13% | 13% | 34% | 36% | 0% | 0% | 0% | 7% | 7% |
| $82,550 | 100% | 100% | 100% | 100% | 100% | < < < < < < < < < NO CREDITS > > > > > > > > > | | | | |

The first important analytical perspective on these differences is provided by looking at **how much a senior must pay of his/her total taxes due** at various levels of incomes and home values. Indeed, one of the most important objectives for Fairfield's SDTR Program should be to maximize the number of seniors who end up in what we call "**The Green Zone**," which is where tax credits have been maximized and the homeowner, after both Local and State credits, must pay "only" 25% of taxes due. At present, as indicated in the table on the right, only four of our matrix boxes are receiving maximum Local and State credits (dark green), and two others (light green) are at least below the 40% threshold. However, things get much tougher for seniors in even slightly higher income brackets. For example, after Local and State credits, seniors in the lowest income bracket who live in a median-value home (with a $420,000 assessment) must pay **46%** of the **$11,071** they owe. And a senior in the second-lowest income bracket in the same median home must pay **52%**.

| | PAYMENT AS % OF TAXES DUE | | | | |
|---|---|---|---|---|---|
| **Avg. Inc.** | **$200,000** | **$250,000** | **$300,000** | **$420,000** | **$600,000** |
| **$14,000** | 25% | 25% | 25% | 46% | 62% |
| **$21,351** | 25% | 28% | 33% | 52% | 67% |
| **$28,051** | 40% | 42% | 46% | 62% | 73% |
| **$34,051** | 52% | 53% | 54% | 66% | 76% |
| **$41,351** | 66% | 66% | 66% | 75% | 83% |
| **$49,401** | 75% | 75% | 75% | 82% | 87% |
| **$63,351** | 85% | 85% | 85% | 87% | 91% |

The side-by-side comparisons below show that the Committee's proposal would add only **one more** dark green box (taxpayer paying the minimum 25% of taxes due) and one more light green box (taxpayer paying less than 40% of taxes due), whereas Alternative B, primarily at the expense of eliminating the proposed new income bracket (which we believe would provide virtually meaningless credits to homeowners with incomes up to **$90,000** and unlimited retirement savings and other assets), adds **three more** dark-green boxes and, like the Committee proposal, one additional light-green box.

| | PAYMENT AS % OF TAXES DUE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | COMMITTEE PROPOSAL | | | | | ALTERNATIVE B | | | | |
| **Avg. Inc.** | **$200,000** | **$250,000** | **$300,000** | **$420,000** | **$600,000** | **$200,000** | **$250,000** | **$300,000** | **$420,000** | **$600,000** |
| **$14,000** | 25% | 25% | 25% | 41% | 59% | 25% | 25% | 25% | 25% | 46% |
| **$21,900** | 25% | 25% | 27% | 48% | 63% | 25% | 25% | 25% | 30% | 51% |
| **$28,700** | 35% | 37% | 40% | 57% | 70% | 25% | 32% | 33% | 50% | 65% |
| **$34,800** | 48% | 49% | 50% | 61% | 73% | 44% | 45% | 46% | 57% | 70% |
| **$42,250** | 63% | 63% | 63% | 70% | 79% | 64% | 64% | 64% | 72% | 81% |
| **$50,550** | 72% | 72% | 72% | 77% | 84% | 73% | 73% | 73% | 80% | 86% |
| **$64,800** | 83% | 83% | 83% | 83% | 88% | 85% | 85% | 85% | 86% | 91% |
| **$82,550** | 90% | 90% | 90% | 90% | 92% | < < < < < < < < < NO CREDITS > > > > > > > > > | | | | |

Many more boxes could be added to our matrix, but our intent is merely to illustrate how we should all think about our policy options and how those options should be presented to the public. If we correctly understand the latest claims and data (as of an RTM meeting on 1/22/19), if the Committee's proposal were adopted, only another 14 of the lowest-income participants would move into the Green Zone (103/139 versus 89/122 at present), which would mean no material change in their percentage of total (74% versus 73%). There would be much better progress in the second-lowest income bracket (116/210 versus 28/203, or 55% versus 14%), but zero progress in any other income bracket. Overall, Green Zone participants would rise from 9% (119/1,336) to 14% (221/1,546). We can and should do better.

| | PAYMENT/AVG. INCOME AT HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| **Avg. Inc.** | **$200,000** | **$250,000** | **$300,000** | **$420,000** | **$600,000** |
| **$14,000** | 9% | 12% | 14% | 36% | 70% |
| **$21,351** | 6% | 9% | 12% | 27% | 49% |
| **$28,051** | 7% | 10% | 13% | 24% | 41% |
| **$34,051** | 8% | 10% | 13% | 21% | 35% |
| **$41,351** | 8% | 11% | 13% | 20% | 32% |
| **$49,401** | 8% | 10% | 12% | 18% | 28% |
| **$63,351** | 7% | 9% | 11% | 15% | 23% |

Meanwhile, a second important analytical perspective is provided by looking at **<u>how much of their income senior homeowners must spend on their taxes</u>**. At present, a senior in the lowest income bracket in a median-value home must spend **36%** of his/her income on taxes, and the burden escalates sharply for low-income seniors in more valuable homes. **<u>This is probably the single best measure of whether a senior can afford to stay in his/her home.</u>** By this measure, the table below demonstrates that Alternative B would do far more than the Committee's Proposal to make taxes a more manageable burden for lower-income seniors. For example, under Alternative B, a senior would have to spend only **20%** of a **$14,000** income to pay the taxes on a median-value home versus **32%** under the Committee Proposal and 36% at present.

| | PAYMENT/AVG. INCOME AT HOMES ASSESSED AT: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | COMMITTEE PROPOSAL | | | | | ALTERNATIVE B | | | | |
| **Avg. Inc.** | **$200,000** | **$250,000** | **$300,000** | **$420,000** | **$600,000** | **$200,000** | **$250,000** | **$300,000** | **$420,000** | **$600,000** |
| **$14,000** | 9% | 12% | 14% | 32% | 66% | 9% | 12% | 14% | 20% | 52% |
| **$21,900** | 6% | 8% | 10% | 24% | 46% | 6% | 8% | 9% | 15% | 37% |
| **$28,700** | 6% | 8% | 11% | 22% | 39% | 5% | 7% | 9% | 19% | 36% |
| **$34,800** | 7% | 9% | 11% | 19% | 33% | 7% | 9% | 10% | 18% | 32% |
| **$42,250** | 8% | 10% | 12% | 18% | 30% | 8% | 10% | 12% | 19% | 30% |
| **$50,550** | 8% | 9% | 11% | 17% | 26% | 8% | 10% | 11% | 17% | 27% |
| **$64,800** | 7% | 8% | 10% | 14% | 21% | 7% | 9% | 10% | 15% | 22% |
| **$82,550** | 6% | 7% | 9% | 12% | 18% | < < < < < < < < < NO CREDITS > > > > > > > > > | | | | |

**<u>Driving down the number of seniors who must spend high percentages of their incomes on property taxes seems to be one of the most effective policy objectives to keep seniors in their homes longer than they would otherwise stay.</u>** Policy makers should think about what seniors can afford to pay in property taxes based on their incomes, and then, as best is possible, provide credits that keep taxes after Local and State credits for all seniors in the same income bracket at the same percent of income, irrespective of the value of their homes. Policy makers can and should debate just how high we should go in terms of home value (i.e., at some point, it is simply not practical to try to keep very low-income seniors in very expensive homes), perhaps capping the maximum dollar amount of credits for every income bracket at the level set for the median-value home (which, by definition, would mean that seniors living in homes valued in the lower half of Fairfield's homes would be equally protected).

***In conclusion, once again, <u>instead of merely adding more participants by offering credits to relatively rich homeowners, any additional funds the Town decides it can afford to spend on SDTR should go to the homeowners who need it most</u>***.

January 23, 2019

| CURRENT TOWN SDTR PROGRAM | | | | | |
|---|---|---|---|---|---|
| Income Brackets | | | Credit Limits | | Homes |
| Low | High | Average | % of Tax | Dollars | 1336 |
| $0 | $17,600 | $14,000 | 67% | $5,000 | 122 |
| $17,601 | $25,100 | $21,351 | 60% | $4,500 | 203 |
| $25,101 | $31,000 | $28,051 | 50% | $3,700 | 177 |
| $31,001 | $37,100 | $34,051 | 42% | $3,500 | 185 |
| $37,101 | $45,600 | $41,351 | 33% | $2,700 | 198 |
| $45,601 | $53,200 | $49,401 | 25% | $2,000 | 147 |
| $53,201 | $73,500 | $63,351 | 15% | $1,400 | 304 |
| Mkt.Value | $285,714 | $357,143 | $428,571 | $600,000 | $857,143 |
| Assessmnt | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| Taxes Due | $5,272 | $6,590 | $7,908 | $11,071 | $15,816 |
| 75% of Tax | $3,954 | $4,943 | $5,931 | $8,303 | $11,862 |

| AVERAGE CREDIT AND PROGRAM COST | | | |
|---|---|---|---|
| Average Credit | Current Weight | Weighted Average | Program Cost |
| $3,916 | 9.1% | $358 | $477,691 |
| $3,872 | 15.2% | $588 | $786,097 |
| $3,210 | 13.2% | $425 | $568,229 |
| $2,951 | 13.8% | $409 | $545,907 |
| $2,306 | 14.8% | $342 | $456,593 |
| $1,736 | 11.0% | $191 | $255,137 |
| $1,091 | 22.8% | $248 | $331,778 |
| Average Credit | | $2,561 | $3,421,432 |

| | STATE CREDIT ON HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $1,027 | $1,027 | $1,027 | $1,027 | $1,027 |
| $21,351 | $778 | $778 | $778 | $778 | $778 |
| $28,051 | $542 | $542 | $542 | $542 | $542 |
| $34,051 | $303 | $303 | $303 | $303 | $303 |
| $41,351 | $67 | $67 | $67 | $67 | $67 |
| $49,401 | $0 | $0 | $0 | $0 | $0 |
| $63,351 | $0 | $0 | $0 | $0 | $0 |

| | TOWN CREDIT ON HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $3,532 | $4,415 | $5,000 | $5,000 | $5,000 |
| $21,351 | $3,163 | $3,954 | $4,500 | $4,500 | $4,500 |
| $28,051 | $2,636 | $3,295 | $3,700 | $3,700 | $3,700 |
| $34,051 | $2,214 | $2,768 | $3,321 | $3,500 | $3,500 |
| $41,351 | $1,740 | $2,175 | $2,610 | $2,700 | $2,700 |
| $49,401 | $1,318 | $1,648 | $1,977 | $2,000 | $2,000 |
| $63,351 | $791 | $989 | $1,186 | $1,400 | $1,400 |

| | TOTAL LOCAL AND STATE CREDITS BEFORE 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $4,559 | $5,442 | $6,027 | $6,027 | $6,027 |
| $21,351 | $3,941 | $4,732 | $5,278 | $5,278 | $5,278 |
| $28,051 | $3,178 | $3,837 | $4,242 | $4,242 | $4,242 |
| $34,051 | $2,517 | $3,071 | $3,624 | $3,803 | $3,803 |
| $41,351 | $1,807 | $2,242 | $2,677 | $2,767 | $2,767 |
| $49,401 | $1,318 | $1,648 | $1,977 | $2,000 | $2,000 |
| $63,351 | $791 | $989 | $1,186 | $1,400 | $1,400 |

| | TOTAL CREDITS AFTER 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $3,954 | $4,943 | $5,931 | $6,027 | $6,027 |
| $21,351 | $3,941 | $4,732 | $5,278 | $5,278 | $5,278 |
| $28,051 | $3,178 | $3,837 | $4,242 | $4,242 | $4,242 |
| $34,051 | $2,517 | $3,071 | $3,624 | $3,803 | $3,803 |
| $41,351 | $1,807 | $2,242 | $2,677 | $2,767 | $2,767 |
| $49,401 | $1,318 | $1,648 | $1,977 | $2,000 | $2,000 |
| $63,351 | $791 | $989 | $1,186 | $1,400 | $1,400 |

| | TOWN CREDIT AFTER 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $2,927 | $3,916 | $4,904 | $5,000 | $5,000 |
| $21,351 | $3,163 | $3,954 | $4,500 | $4,500 | $4,500 |
| $28,051 | $2,636 | $3,295 | $3,700 | $3,700 | $3,700 |
| $34,051 | $2,214 | $2,768 | $3,321 | $3,500 | $3,500 |
| $41,351 | $1,740 | $2,175 | $2,610 | $2,700 | $2,700 |
| $49,401 | $1,318 | $1,648 | $1,977 | $2,000 | $2,000 |
| $63,351 | $791 | $989 | $1,186 | $1,400 | $1,400 |

| | PAYMENT AFTER LOCAL AND STATE CREDITS | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $1,318 | $1,648 | $1,977 | $5,044 | $9,789 |
| $21,351 | $1,331 | $1,858 | $2,630 | $5,793 | $10,538 |
| $28,051 | $2,094 | $2,753 | $3,666 | $6,829 | $11,574 |
| $34,051 | $2,755 | $3,519 | $4,284 | $7,268 | $12,013 |
| $41,351 | $3,465 | $4,348 | $5,231 | $8,304 | $13,049 |
| $49,401 | $3,954 | $4,943 | $5,931 | $9,071 | $13,816 |
| $63,351 | $4,481 | $5,602 | $6,722 | $9,671 | $14,416 |

| | PAYMENT/AVG. INCOME AT HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 9% | 12% | 14% | 36% | 70% |
| $21,351 | 6% | 9% | 12% | 27% | 49% |
| $28,051 | 7% | 10% | 13% | 24% | 41% |
| $34,051 | 8% | 10% | 13% | 21% | 35% |
| $41,351 | 8% | 11% | 13% | 20% | 32% |
| $49,401 | 8% | 10% | 12% | 18% | 28% |
| $63,351 | 7% | 9% | 11% | 15% | 23% |

| | PAYMENT AS % OF TAXES DUE | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 25% | 25% | 25% | 46% | 62% |
| $21,351 | 25% | 28% | 33% | 52% | 67% |
| $28,051 | 40% | 42% | 46% | 62% | 73% |
| $34,051 | 52% | 53% | 54% | 66% | 76% |
| $41,351 | 66% | 66% | 66% | 75% | 83% |
| $49,401 | 75% | 75% | 75% | 82% | 87% |
| $63,351 | 85% | 85% | 85% | 87% | 91% |

*As noted in the text, many more boxes could be added to our matrixes, but the intent here is merely to illustrate how policy makers should think about our options and how those options should be presented to the public.*

| CHANGES PROPOSED BY THE COMMITTEE | | | | | |
|---|---|---|---|---|---|
| Income Brackets | | | Credit Limits | | Homes |
| Low | High | Average | % of Tax | Dollars | 1636 |
| $0 | $17,600 | $14,000 | 75% | $5,500 | 122 |
| $17,601 | $25,100 | $21,351 | 66% | $5,000 | 203 |
| $25,101 | $31,000 | $28,051 | 55% | $4,200 | 177 |
| $31,001 | $37,100 | $34,051 | 46% | $4,000 | 185 |
| $37,101 | $45,600 | $41,351 | 36% | $3,200 | 198 |
| $45,601 | $53,200 | $49,401 | 28% | $2,500 | 147 |
| $53,201 | $73,500 | $63,351 | 17% | $1,900 | 304 |
| $75,100 | $90,000 | $82,550 | 10% | $1,200 | 300 |
| Mkt.Value | $285,714 | $357,143 | $428,571 | $600,000 | $857,143 |
| Assessmnt | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| Taxes Due | $5,272 | $6,590 | $7,908 | $11,071 | $15,816 |
| 75% of Tax | $3,954 | $4,943 | $5,931 | $8,303 | $11,862 |

| AVERAGE CREDIT AND PROGRAM COST | | | |
|---|---|---|---|
| Average Credit | Current Weight | Weighted Average | Program Cost |
| $3,916 | 7.5% | $292 | $477,691 |
| $4,114 | 12.4% | $510 | $835,041 |
| $3,575 | 10.8% | $387 | $632,722 |
| $3,274 | 11.3% | $370 | $605,607 |
| $2,579 | 12.1% | $312 | $510,701 |
| $2,009 | 9.0% | $181 | $295,308 |
| $1,315 | 18.6% | $244 | $399,828 |
| $857 | 18.3% | $157 | $257,047 |
| Average Credit | | $2,296 | $4,013,945 |

*Average Credits are estimates, not actuals, but are believed to be fair approximations.*

| | STATE CREDIT ON HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $1,027 | $1,027 | $1,027 | $1,027 | $1,027 |
| $21,351 | $778 | $778 | $778 | $778 | $778 |
| $28,051 | $542 | $542 | $542 | $542 | $542 |
| $34,051 | $303 | $303 | $303 | $303 | $303 |
| $41,351 | $67 | $67 | $67 | $67 | $67 |
| $49,401 | $0 | $0 | $0 | $0 | $0 |
| $63,351 | $0 | $0 | $0 | $0 | $0 |
| $82,550 | $0 | $0 | $0 | $0 | $0 |

| | TOWN CREDIT ON HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $3,954 | $4,943 | $5,500 | $5,500 | $5,500 |
| $21,351 | $3,480 | $4,349 | $5,000 | $5,000 | $5,000 |
| $28,051 | $2,900 | $3,625 | $4,200 | $4,200 | $4,200 |
| $34,051 | $2,425 | $3,031 | $3,638 | $4,000 | $4,000 |
| $41,351 | $1,898 | $2,372 | $2,847 | $3,200 | $3,200 |
| $49,401 | $1,476 | $1,845 | $2,214 | $2,500 | $2,500 |
| $63,351 | $896 | $1,120 | $1,344 | $1,900 | $1,900 |
| $82,550 | $527 | $659 | $791 | $1,107 | $1,200 |

| | TOTAL LOCAL AND STATE CREDITS BEFORE 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $4,981 | $5,970 | $6,527 | $6,527 | $6,527 |
| $21,351 | $4,258 | $5,127 | $5,778 | $5,778 | $5,778 |
| $28,051 | $3,442 | $4,167 | $4,742 | $4,742 | $4,742 |
| $34,051 | $2,728 | $3,334 | $3,941 | $4,303 | $4,303 |
| $41,351 | $1,965 | $2,439 | $2,914 | $3,267 | $3,267 |
| $49,401 | $1,476 | $1,845 | $2,214 | $2,500 | $2,500 |
| $63,351 | $896 | $1,120 | $1,344 | $1,900 | $1,900 |
| $82,550 | $527 | $659 | $791 | $1,107 | $1,200 |

| | TOTAL CREDITS AFTER 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $3,954 | $4,943 | $5,931 | $6,527 | $6,527 |
| $21,351 | $3,954 | $4,943 | $5,778 | $5,778 | $5,778 |
| $28,051 | $3,442 | $4,167 | $4,742 | $4,742 | $4,742 |
| $34,051 | $2,728 | $3,334 | $3,941 | $4,303 | $4,303 |
| $41,351 | $1,965 | $2,439 | $2,914 | $3,267 | $3,267 |
| $49,401 | $1,476 | $1,845 | $2,214 | $2,500 | $2,500 |
| $63,351 | $896 | $1,120 | $1,344 | $1,900 | $1,900 |
| $82,550 | $527 | $659 | $791 | $1,107 | $1,200 |

| | TOWN CREDIT AFTER 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $2,927 | $3,916 | $4,904 | $5,500 | $5,500 |
| $21,351 | $3,176 | $4,165 | $5,000 | $5,000 | $5,000 |
| $28,051 | $2,900 | $3,625 | $4,200 | $4,200 | $4,200 |
| $34,051 | $2,425 | $3,031 | $3,638 | $4,000 | $4,000 |
| $41,351 | $1,898 | $2,372 | $2,847 | $3,200 | $3,200 |
| $49,401 | $1,476 | $1,845 | $2,214 | $2,500 | $2,500 |
| $63,351 | $896 | $1,120 | $1,344 | $1,900 | $1,900 |
| $82,550 | $527 | $659 | $791 | $1,107 | $1,200 |

| | PAYMENT AFTER LOCAL AND STATE CREDITS | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $1,318 | $1,648 | $1,977 | $4,544 | $9,289 |
| $21,351 | $1,318 | $1,648 | $2,130 | $5,293 | $10,038 |
| $28,051 | $1,830 | $2,424 | $3,166 | $6,329 | $11,074 |
| $34,051 | $2,544 | $3,256 | $3,967 | $6,768 | $11,513 |
| $41,351 | $3,307 | $4,151 | $4,994 | $7,804 | $12,549 |
| $49,401 | $3,796 | $4,745 | $5,694 | $8,571 | $13,316 |
| $63,351 | $4,376 | $5,470 | $6,564 | $9,171 | $13,916 |
| $82,550 | $4,745 | $5,931 | $7,117 | $9,964 | $14,616 |

| | PAYMENT/AVG. INCOME AT HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 9% | 12% | 14% | 32% | 66% |
| $21,351 | 6% | 8% | 10% | 25% | 47% |
| $28,051 | 7% | 9% | 11% | 23% | 39% |
| $34,051 | 7% | 10% | 12% | 20% | 34% |
| $41,351 | 8% | 10% | 12% | 19% | 30% |
| $49,401 | 8% | 10% | 12% | 17% | 27% |
| $63,351 | 7% | 9% | 10% | 14% | 22% |
| $82,550 | 6% | 7% | 9% | 12% | 18% |

| | PAYMENT AS % OF TAXES DUE | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 25% | 25% | 25% | 41% | 59% |
| $21,351 | 25% | 25% | 27% | 48% | 63% |
| $28,051 | 35% | 37% | 40% | 57% | 70% |
| $34,051 | 48% | 49% | 50% | 61% | 73% |
| $41,351 | 63% | 63% | 63% | 70% | 79% |
| $49,401 | 72% | 72% | 72% | 77% | 84% |
| $63,351 | 83% | 83% | 83% | 83% | 88% |
| $82,550 | 90% | 90% | 90% | 90% | 92% |

| ALTERNATIVE B | | | | | |
|---|---|---|---|---|---|
| Income Brackets | | | Credit Limits | | Homes |
| Low | High | Average | % of Tax | Dollars | 1336 |
| $0 | $17,600 | $14,000 | 75% | $8,000 | 122 |
| $17,601 | $25,100 | $21,351 | 70% | $7,000 | 203 |
| $25,101 | $31,000 | $28,051 | 60% | $6,000 | 177 |
| $31,001 | $37,100 | $34,051 | 50% | $5,000 | 185 |
| $37,101 | $45,600 | $41,351 | 35% | $3,500 | 198 |
| $45,601 | $53,200 | $49,401 | 27% | $2,500 | 147 |
| $53,201 | $73,500 | $63,351 | 15% | $1,500 | 304 |
| $75,100 | $90,000 | $82,550 | 0% | $0 | 0 |
| Mkt.Valu | $285,714 | $357,143 | $428,571 | $600,000 | $857,143 |
| Assessmn | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| Taxes Due | $5,272 | $6,590 | $7,908 | $11,071 | $15,816 |
| 75% of Ta | $3,954 | $4,943 | $5,931 | $8,303 | $11,862 |

| AVERAGE CREDIT AND PROGRAM COST | | | |
|---|---|---|---|
| Average Credit | Current Weight | Weighted Average | Program Cost |
| $5,405 | 7.5% | $403 | $659,349 |
| $4,873 | 12.4% | $605 | $989,295 |
| $4,466 | 10.8% | $483 | $790,394 |
| $3,721 | 11.3% | $421 | $688,431 |
| $2,605 | 12.1% | $315 | $515,765 |
| $1,959 | 9.0% | $176 | $288,043 |
| $1,116 | 18.6% | $207 | $339,378 |
| $0 | 0.0% | $0 | $0 |
| Average Credit | | $2,610 | $4,270,655 |

*Average Credits are estimates, not actuals, but are believed to be fair approximations.*

| | STATE CREDIT ON HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $1,027 | $1,027 | $1,027 | $1,027 | $1,027 |
| $21,351 | $778 | $778 | $778 | $778 | $778 |
| $28,051 | $542 | $542 | $542 | $542 | $542 |
| $34,051 | $303 | $303 | $303 | $303 | $303 |
| $41,351 | $67 | $67 | $67 | $67 | $67 |
| $49,401 | $0 | $0 | $0 | $0 | $0 |
| $63,351 | $0 | $0 | $0 | $0 | $0 |
| $82,550 | $0 | $0 | $0 | $0 | $0 |

| | TOWN CREDIT ON HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $3,954 | $4,943 | $5,931 | $8,000 | $8,000 |
| $21,351 | $3,690 | $4,613 | $5,536 | $7,000 | $7,000 |
| $28,051 | $3,163 | $3,954 | $4,745 | $6,000 | $6,000 |
| $34,051 | $2,636 | $3,295 | $3,954 | $5,000 | $5,000 |
| $41,351 | $1,845 | $2,307 | $2,768 | $3,500 | $3,500 |
| $49,401 | $1,423 | $1,779 | $2,135 | $2,500 | $2,500 |
| $63,351 | $791 | $989 | $1,186 | $1,500 | $1,500 |
| $82,550 | $0 | $0 | $0 | $0 | $0 |

| | TOTAL LOCAL AND STATE CREDITS BEFORE 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $4,981 | $5,970 | $6,958 | $9,027 | $9,027 |
| $21,351 | $4,468 | $5,391 | $6,314 | $7,778 | $7,778 |
| $28,051 | $3,705 | $4,496 | $5,287 | $6,542 | $6,542 |
| $34,051 | $2,939 | $3,598 | $4,257 | $5,303 | $5,303 |
| $41,351 | $1,912 | $2,374 | $2,835 | $3,567 | $3,567 |
| $49,401 | $1,423 | $1,779 | $2,135 | $2,500 | $2,500 |
| $63,351 | $791 | $989 | $1,186 | $1,500 | $1,500 |
| $82,550 | $0 | $0 | $0 | $0 | $0 |

| | TOTAL CREDITS AFTER 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $3,954 | $4,943 | $5,931 | $8,303 | $9,027 |
| $21,351 | $3,954 | $4,943 | $5,931 | $7,778 | $7,778 |
| $28,051 | $3,705 | $4,496 | $5,287 | $6,542 | $6,542 |
| $34,051 | $2,939 | $3,598 | $4,257 | $5,303 | $5,303 |
| $41,351 | $1,912 | $2,374 | $2,835 | $3,567 | $3,567 |
| $49,401 | $1,423 | $1,779 | $2,135 | $2,500 | $2,500 |
| $63,351 | $791 | $989 | $1,186 | $1,500 | $1,500 |
| $82,550 | $0 | $0 | $0 | $0 | $0 |

| | TOWN CREDIT AFTER 75% CAP | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $2,927 | $3,916 | $4,904 | $7,276 | $8,000 |
| $21,351 | $3,176 | $4,165 | $5,153 | $7,000 | $7,000 |
| $28,051 | $3,163 | $3,954 | $4,745 | $6,000 | $6,000 |
| $34,051 | $2,636 | $3,295 | $3,954 | $5,000 | $5,000 |
| $41,351 | $1,845 | $2,307 | $2,768 | $3,500 | $3,500 |
| $49,401 | $1,423 | $1,779 | $2,135 | $2,500 | $2,500 |
| $63,351 | $791 | $989 | $1,186 | $1,500 | $1,500 |
| $82,550 | $0 | $0 | $0 | $0 | $0 |

| | PAYMENT AFTER LOCAL AND STATE CREDITS | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | $1,318 | $1,648 | $1,977 | $2,768 | $6,789 |
| $21,351 | $1,318 | $1,648 | $1,977 | $3,293 | $8,038 |
| $28,051 | $1,567 | $2,094 | $2,621 | $4,529 | $9,274 |
| $34,051 | $2,333 | $2,992 | $3,651 | $5,768 | $10,513 |
| $41,351 | $3,360 | $4,217 | $5,073 | $7,504 | $12,249 |
| $49,401 | $3,849 | $4,811 | $5,773 | $8,571 | $13,316 |
| $63,351 | $4,481 | $5,602 | $6,722 | $9,571 | $14,316 |
| $82,550 | $5,272 | $6,590 | $7,908 | $11,071 | $15,816 |

| | PAYMENT/AVG. INCOME AT HOMES ASSESSED AT: | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 9% | 12% | 14% | 20% | 48% |
| $21,351 | 6% | 8% | 9% | 15% | 38% |
| $28,051 | 6% | 7% | 9% | 16% | 33% |
| $34,051 | 7% | 9% | 11% | 17% | 31% |
| $41,351 | 8% | 10% | 12% | 18% | 30% |
| $49,401 | 8% | 10% | 12% | 17% | 27% |
| $63,351 | 7% | 9% | 11% | 15% | 23% |
| $82,550 | 6% | 8% | 10% | 13% | 19% |

| | PAYMENT AS % OF TAXES DUE | | | | |
|---|---|---|---|---|---|
| Avg. Inc. | $200,000 | $250,000 | $300,000 | $420,000 | $600,000 |
| $14,000 | 25% | 25% | 25% | 25% | 43% |
| $21,351 | 25% | 25% | 25% | 30% | 51% |
| $28,051 | 30% | 32% | 33% | 41% | 59% |
| $34,051 | 44% | 45% | 46% | 52% | 66% |
| $41,351 | 64% | 64% | 64% | 68% | 77% |
| $49,401 | 73% | 73% | 73% | 77% | 84% |
| $63,351 | 85% | 85% | 85% | 86% | 91% |
| $82,550 | 100% | 100% | 100% | 100% | 100% |