

Do You Need Help Paying Your Property Tax Bill?

Durham County and City governments has approved a new tax relief program called the **Long-Term Payment Plan Deferral Program** to help extremely low-income longtime homeowners reduce the amount of property tax that they have to pay this year. Here are the two qualifications you need to meet:

[1] Your total household income in 2019 was 30% or less of the Area Median Income. The maximum income depending on your household size is --

30% Area Median Income and Persons in Household							
1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$ 19,100	\$ 21,800	\$ 24,550	\$ 27,250	\$ 29,450	\$ 31,650	\$ 33,800	\$ 36,000

[2] You have lived in your home as your principle residence since January 1, 2010—ten years before the start of 2020. You have been successful at keeping your home despite limited income. You can qualify whatever your age is.*

If you qualify, you are allowed to pay only 4% of your household income toward this year's property tax bill.

For example, for a two-person household with an income of \$21,800, the limit would be \$872. If their home is worth \$140,000, their full tax bill would be \$1750. Under the new program, they would pay \$872 now and defer \$878 that would be paid later.

What about you?

- What was your total household income in 2019? _____ *FROM YOUR 2019 1040 TAX RETURN, LINE 8b —ADJUSTED GROSS INCOME.*
- What is 4% of that amount (your income times .04)? _____ *AMOUNT YOU PAY NOW*
- What is your total property tax bill for 2020? _____ *FROM YOUR PROPERTY TAX BILL*
- How much would be deferred (your total tax bill minus 4% of your income)?
=Deferred payment _____

Paying the remainder of your tax bill is deferred—postponed—and a lien is placed on your property. The liens are removed if you sell your home or until you start paying the deferred amounts after ten years. These are what the County calls “disqualifying events.” That means that you no longer qualify to postpone paying the deferred tax along with interest and fees on the amount you have not paid. If you continue living in your home after ten years (as we and the County/City hope), you will have to start repaying the deferred payment and interest/fees one year at a time. For example, if you defer part of your 2020 property tax, you will have to repay that amount plus interest/fees in 2030. The County is seeking contributions to create a fund that will be used to pay some or all of your interest and fees.

If you transfer ownership to a member of your family and they make it their permanent residence, they do not have to start repaying the deferred taxes until ten years has passed from the first year that you deferred your tax payment. If they meet the income qualifications, they can also use deferred payments for their tax bills as soon as they move in.

* If you are 65 or older or you are totally and permanently disabled and have income under \$31,000 or under \$46,500, you may qualify for the State **Elderly/Disabled Homestead Exemption** or the **Circuit Breaker Program** that provide greater tax relief than the Payment Deferral Program. Disabled veterans and their surviving spouses can also qualify for assistance. We can calculate your qualification for either of these programs or you can call 919-560-0300 or see <https://www.dconc.gov/government/departments-f-z/tax-administration/property-tax-relief-programs> .

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Is it worth deferring part of your taxes? How will you afford to pay back the deferred taxes plus interest and fees? Remember that in many neighborhoods in Durham, the value of houses is growing faster than the interest that you would pay on the deferred taxes. You will save money now and still come out even or slightly ahead if you sell your house in the future while easing the year-to-year tax burden of staying in your home.

The deadline for applying for the program is December 31. *Even though the application states that the deadline is June 1, late submissions are permitted.* You are permitted to submit the application by the deadline and pay the amount of tax then that you would be required to pay if your application were approved. If you are not approved for the deferred payment, you will have to pay the additional amount of your tax bill plus interest on the unpaid amount in 2021.

For additional information and an application, see <https://www.dconc.gov/government/departments-f-z/tax-administration/property-tax-relief-programs/property-tax-relief-for-homeowners>.

If you need assistance doing the calculations on the first page, volunteers in the Coalition for Affordable Housing and Transit can get the information you need about your house, do the calculations, and send you the results. Your information will not be shared with anyone outside the outreach organizations. We will need to have only this information to calculate your tax bill:

1. Your home address
2. The number of people in your household
3. Your 2019 total household income
4. How long have you lived in your house as your principal residence
5. Your age, disability, and veteran status (for comparison to other tax relief programs):
 - a. Age _____
 - b. Are you totally and permanently disabled? Yes ____ No ____
 - c. IF DISABLED, are you a VETERAN or are you the surviving spouse of a veteran who was disabled or died in service? Yes ____ No ____

You can email this information to the **COMMUNITY EMPOWERMENT FUND (CEF)** at donnac@communityempowermentfund.org or call CEF at **919-797-9233**. If you call and get voicemail, indicate that you are interested in the tax deferral program and leave the requested information and your name and phone number. We will get the results to you. If you decide to apply and need assistance in completing the application for the deferred payment, we will arrange to meet with you virtually or in person to help complete the application. The City and County want to help you remain in your home by reducing the amount of property tax that you have to pay this year and in future years. *We want to help you do it.*

*Outreach efforts are supported by the Coalition for Affordable Housing and Transit,
the Durham Committee on the Affairs of Black People, and People's Alliance*

Other important contacts: If you need help with repairs in your home, we can inform you about sources of support. If you are at risk of losing your home due to foreclosure, you can call **Reinvestment Partners** at 919-667-1000 for free housing counseling. **Legal Aid NC** 866-219-5262 can help prevent eviction and foreclosure. For help with utilities, mortgages, and rent, call **Durham Social Services**, 919-560-8000, or **Central Piedmont Community Action**, 919-797-0888. You can dial 2-1-1 or 1-888-892-1162 to reach **United Way of North Carolina** and obtain information on health and human services and resources in Durham.

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If you are a resident of Southside, NECD, or SWCD, you may qualify for the City of Durham Longtime Homeowner Grant Program.

This program is designed differently from the Long-Term Payment Plan Deferral Program and the qualifications differ greatly. It will provide a grant to cover the increase in the total property tax paid in 2019 compared to the amount of the 2015 tax bill. Homeowners in these neighborhoods[†] are eligible for the grant if they have lived in their home since **July 1, 2012** and have income less than 80% of the Area Median Income (AMI). Both of these requirements are different than the Deferred Payment program requirements.

Income requirement--Less than 80% AMI: Income limits in 2019:

Persons in household	1	2	3	4	5
Maximum Income	\$47,520	\$54,320	\$61,120	\$67,840	\$72,380

The Community Development Department will start post on its website (see below) when they will start accepting applications.

You may have considered applying for this program in an earlier year and found that the grant would be too small to make it worth the time it took to apply. You may benefit more at this time because there was another property tax reappraisal in 2019. Many people had higher tax bills in 2019 because their home had increased in assessed value.

- a. What was your 2015 property tax payment? _____
- b. What was your 2019 property tax payment? _____
- c. Difference? _____ *This would be the size of your grant.*

The application can be found at <https://durhamnc.gov/DocumentCenter/View/17437/LTHOGrantApplPkt> .

If you need assistance including information about your 2015 or 2019 tax payment, volunteers in the Coalition for Affordable Housing and Transit can do the calculations and send you the results. Your information will not be shared with anyone else. The information we need to determine your eligibility and the grant amount is --

- a. Your home address
- b. The number of people in your household
- c. Your 2019 total household income

If you have provided this information with a request for assistance regarding the deferred payment program, you do not need to repeat it. Send your information to **COMMUNITY EMPOWERMENT FUND** at donnac@communityempowermentfund.org

or call **919-797-9233** and indicate that you are interested in the Longtime Homeowners Grant program. If you call and get voicemail, you can leave the requested information and your name and phone number. We will get the results to you by email, telephone, or mail to your home address—whichever you prefer. If you need assistance in completing the application for the grant, use this contact information and we will arrange to meet with you virtually to complete the application. Let us help you apply.

*Coalition for Affordable Housing and Transit,
the Durham Committee on the Affairs of Black People, and People's Alliance*

[†] A map of the boundaries of the three neighborhoods is available at <https://durhamnc.gov/3236/Longtime-Homeowner-Grant-Program>. It is also necessary to live within 500 feet of a City housing investment. The map does not show the location of the City investments.