

# Property Tax Adjustment for 2019/2020 Property Taxes

The Vermont Property Tax Adjustment assists many Vermont homeowners with paying their property taxes. You may be eligible for a property tax adjustment on your 2019/2020 property taxes if your property qualifies as a homestead and you meet the eligibility requirements described in this fact sheet. The maximum adjustment for the 2019/2020 property tax bill is \$5,600 for the education property tax portion and \$2,400 for the municipal property tax portion. This fact sheet provides guidance on who can file, how to file, and frequently asked questions.

**The Property Tax Adjustment Claim for 2019 is due April 15 and no later than Oct. 15. There is a \$15 late fee after April 15.**

## Who is eligible to file a claim?

In order to file a property tax adjustment claim, you must meet **ALL** of the following eligibility requirements:

- Your property qualifies as a homestead, and you have filed a Homestead Declaration for the 2019 grand list.
- You were domiciled\* in Vermont for the entire 2019 calendar year.
- You were not claimed as a dependent of another taxpayer for 2018.
- You have the property as your homestead as of April 1, 2019.
- You meet the “household income” criteria (up to \$136,500 for calendar year 2018).

\* *Domicile is a legal concept that has implications for Vermont income tax, the statewide education tax, and property tax adjustments. For the definition of “domicile,” see Vermont Regulation § 1.5811(11)(A)(i) found at [www.bit.ly/ottaxregs](http://www.bit.ly/ottaxregs).*

## What is a Homestead?

Homestead Declarations (HS-122) must be filed each year so that you are correctly assessed the homestead tax rate on your property. A “homestead” is the principal dwelling and parcel of land surrounding the dwelling. It is your responsibility as the property owner to claim the property as a homestead if you meet, or expect to meet, the following requirements:

- You are a Vermont resident
- You own and occupy a homestead as your domicile as of April 1, 2019.

**Note:** If you meet these requirements, except that your homestead is leased to a tenant on April 1, 2018, you may still claim it as a homestead if it is not leased for more than 182 days in the 2019 calendar year.

## What forms are needed to file a claim?

You need the following two forms to file an adjustment claim. Claims can be filed when electronically filing an income tax return or can be separately filed at <https://www.myvtax.vermont.gov>.

1. **Form HS-122:**
  - Section A: Homestead Declaration
  - Section B: Property Tax Adjustment Claim
2. **Schedule HI-144:** Household Income

The form and schedule require different types of information as described below and on the next page.

## How do I file each form?

### Homestead Declaration, HS-122, Section A

When filing this form, you need to have available the following:

- The property’s School Property Account Number (SPAN) printed on your property tax bill; and
- Your Social Security Number

### Important reminders:

- If you are filing an income tax extension, be sure that the Homestead Declaration is filed by the April due date.
- Sign the Homestead Declaration at the end of section B on the reverse side of the form.
- For declarations received after the April due date, you may receive a penalty of up to 8% of the education tax owed. This penalty is assessed by your municipality.
- Only one property tax adjustment claim is allowed per household per year.

**File Your Property Tax Adjustment online through myVTax!** Learn how to file your Property Tax Adjustment Claim online by viewing our videos and guides at [www.tax.vermont.gov](http://www.tax.vermont.gov).

### **Property Tax Adjustment Claim, HS-122 Section B**

When filing an adjustment claim, you need to enter the following information from your property tax bill:

- Housesite Value
- Housesite Education Property Tax
- Housesite Municipal Tax

#### **Important reminders:**

- You must answer the eligibility questions and enter Household Income from HI-144 before the claim can be processed.
- For adjustment claims received after the April due date, a \$15 late filing fee is deducted from the property tax adjustment.
- No adjustment claims will be accepted after the October due date. Incomplete adjustment claims are considered **not** filed.

Other information and forms may be needed, if applicable to your situation, such as:

- Lot Rent for Mobile Home
- Tax from Land Trust, Cooperative, or Nonprofit Mobile Home Park
- Property Tax from Contiguous Property
- Ownership Interest (percentage of ownership). For example, if there is an owner who doesn't reside in the home on April 1, enter the percentage of ownership of the owner(s) who does reside there.

### **Household Income, Schedule HI-144**

Household income is different from the income reported on income tax forms. It includes all sources of income of any persons living in your household, including children, for any period of time during 2018. It includes both taxable and nontaxable income, such as the following:

- Social Security
- Veterans' benefits
- Some nontaxable pensions
- Support money

Here's a short checklist of what you need:

- Names and Social Security Numbers of all persons who lived with you and had income
- All sources and amounts of income of those persons while living with you
- Any allowable adjustments from the federal income tax return

### **Frequently Asked Questions**

#### **What if I lease my home on April 1, 2019, and it ends up being leased for more than 182 days in 2019?**

You must withdraw your Homestead Declaration and your Property Tax Adjustment.

#### **What happens when a homeowner dies before April 1, 2019?**

If the claim was filed by a single owner, the claim must be withdrawn using Form HS-122W.

#### **What can I do if I make a mistake when filing HS-122?**

Contact the Vermont Department of Taxes for instructions.

#### **What happens if I jointly own my home with my spouse, make an adjustment claim, and my spouse owes money to a Vermont state agency?**

If the Department will notify you that the property tax adjustment was used to pay money owed to a Vermont state agency. You have 30 days from the date of the notice to submit an "injured spouse" claim. You may receive the portion of the adjustment equal to the percentage of your ownership of the homestead. See the instructions in the 2018 Income Tax Return Booklet in our website forms section.

#### **If I am in the process of divorcing my spouse, how do I file an adjustment claim if the divorce is not finalized and we are not legally separated?**

When this situation occurs and the residence is jointly owned, you are required to include your spouse's income on Schedule HI-144 and are limited to an adjustment proportioned to your ownership of the residence. You may wish to consult a tax professional regarding limitations to these claims in the case of separation or divorce.

### **Contact us**

For more information about filing a property adjustment claim, see the instructions in the 2018 Income Tax Return Booklet at [www.tax.vermont.gov](http://www.tax.vermont.gov) or contact the Vermont Department of Taxes at 802-828-2865 or 866-828-2865 (toll-free).

For more information on the Property Tax Adjustment Claim, see 32 V.S.A., §§ 6061-6074 at [legislature.vermont.gov/statutes/title/32](http://legislature.vermont.gov/statutes/title/32)

File your Homestead Declaration and Property Tax Claim online at [www.myVTax.vermont.gov](http://www.myVTax.vermont.gov).

Visit our website at [www.tax.vermont.gov](http://www.tax.vermont.gov) for forms and more fact sheets.

