

# REBATES AND DEFERRALS FOR THE ELDERLY OR DISABLED

## IN COLORADO

*This brochure is prepared for the senior citizen or disabled person who resided in Colorado last year. If you are 65 years of age or are disabled, you may qualify for one or more of the tax relief programs mentioned herein. Please visit our website at: [www.dola.state.co.us/propertytax](http://www.dola.state.co.us/propertytax) for more information.*



# PROPERTY TAX/RENT/HEAT REBATE

## Administered by the Department of Revenue

### REQUIREMENTS FOR ELIGIBILITY

#### Senior Citizen

To claim a property tax/rent rebate or heat/fuel rebate, you must meet **ALL** of the following eligibility requirements:

1. You (either husband or wife) are 65 years old or older. If you are a surviving spouse, you must be 58 years old or older.
2. You have paid property taxes on a personal residence in Colorado, or you have paid rent for your living quarters or for a manufactured home space located in Colorado.
  - *You cannot receive a rent credit if any portion of your building is tax exempt.*
  - *Full-year residents of nursing homes are not eligible for a rebate of nursing home payments.*
3. You have resided in Colorado during the entire taxable year claimed.
  - If married, both husband and wife must be full-year residents.
  - Individuals not married at any time during the year must file a single claim.
  - A husband and wife must file a joint claim if they are legally married on December 31 of the claim year. This requirement includes a husband and wife who maintain separate residences or are legally separated on December 31.
  - A husband and wife whose divorce becomes final during the year must file separate single claims if they remain unmarried on December 31.
  - If one spouse dies during the year, the surviving spouse will file the rebate claim jointly for that year, except if the surviving spouse remarries prior to the end of the claim year, in which case the surviving spouse will file jointly with the new spouse. A single claim may be filed on behalf of the deceased spouse.
4. You were not claimed as a dependent on any other person's federal income tax return.
5. You must meet one of the income limitations listed below:
  - If single:** Total income for the taxable year did not exceed \$11,000.
  - If married:** Combined incomes for the taxable year did not exceed \$14,700.

*A complete listing of the types of income that must be included, as well as income that should not be included when computing the rebate, can be found on the Property Tax/Rent/Heat Rebate Application Form 104 PTC at [www.revenue.state.co.us/forms](http://www.revenue.state.co.us/forms).*

#### Disabled

To claim a property tax/rent rebate or heat/fuel rebate, you must meet **ALL** of the requirements listed above, except the age limitation, in addition to meeting the following:

1. You were disabled (regardless of age) for the **entire** taxable year claimed.
2. You receive full disability payments from a bonafide public or private plan based solely on such disability such as Social Security, SSI, Department of Human Services, or Veterans Administration.

## PROPERTY TAX/RENT REBATE

The maximum property tax/rent rebate is \$600; however, there are certain limitations:

### If single:

The \$600 is reduced by 10% of the income exceeding \$5,000. For example, if you earned \$6,000, you may claim a maximum rebate of \$500 (\$600 less 10% of \$1000).

### If married:

The \$600 is reduced by 10% of the combined income exceeding \$8,700. For example, if combined earnings were \$9,000, you may claim a maximum rebate of \$570 (\$600 less 10% of \$300).

The rebate is calculated using prior year's earnings and is never to exceed the amount of the rent paid or property taxes paid. It is based on 20% of the rent paid or 100% of the property taxes paid in the tax year in which application is made.

*Some of Colorado municipalities refund a portion of the municipal property tax levy to senior citizens or disabled persons. Check with the city in which you live to see if they provide this refund.*

## HEAT/FUEL REBATE

**The maximum heat/fuel rebate is \$192** and is based on actual heat/fuel payments or 10% of the rent if heat is included in the rental payments. Heat or fuel expenses must be paid for heating residences *within Colorado*.

### HEAT PAID BY TENANT

If you are **single** and the **heat is paid separately**, the \$192 is reduced by 3.2% of any income exceeding \$5,000. For example, if the renter earned \$6,000, a maximum credit of \$160 may be claimed (\$192 minus 3.2% of \$1,000).

If you are **married** and the **heat is paid separately**, the \$192 is reduced by 3.2% of the combined incomes exceeding \$8,700. For example, if earnings are \$9,000, a maximum credit of \$182 may be claimed (\$192 minus 3.2% of \$300).

## REQUIRED FORMS

You may obtain a "Property Tax/Rent/Heat Rebate Application" Form 104 PTC from the Internet at [www.revenue.state.co.us/forms](http://www.revenue.state.co.us/forms). Applications are also available at any Colorado Service Center. Please visit this website at [www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=tpsserve](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=tpsserve) for locations. You may also obtain an application and information by calling the numbers listed below.

Denver Metro Area Forms	(303) 238-FAST (3278)
Colorado Springs	(719) 592-0225*
Fort Collins	(970) 282-7950*
Grand Junction	(970) 243-0664*
Pueblo	(719) 542-2681*
All others in Colorado	(877) 835-3453*
Tax Information Call Center	(303) 238-SERV (7378)

\* Lines are in service from January 1 to April 15 only.

*Check with the Colorado Department of Revenue about filing for prior years if you have not filed previously, but were qualified. A claim for a 2004 rebate will only be accepted if filed on or before December 31, 2006.*

# PROPERTY TAX DEFERRALS

## Administered by the State Treasurer

In Colorado, senior citizens who are 65 years of age or older, regardless of annual income, may defer (postpone) the payment of their property taxes and special assessments on their residences. The residence may be a single family home, a townhome, a condominium unit, or a manufactured home.

The following explains how to defer property taxes and when the deferred taxes must be paid.

### REQUIREMENTS FOR ELIGIBILITY

- An individual must be 65 years old or older as of January 1st of the year claimed.
- A person called into military service on January 1 of the year in which the claim is filed.

### Limitations:

1. You must not be earning any income, such as rent, from your property.
2. You must own and occupy your residence. Relocation due to ill health will not cause you to lose the deferral.
3. All property taxes must have been paid.
4. Prior to January 1, 2006, if the taxpayer's mortgage is less than five years old, a subordination agreement must be obtained from the lender or a certificate of deferral issued prior to January 1, 1980. In other words, the mortgage holder agrees that the state's interest in the property would legally come before its interest in the property.
5. The cumulative amount of the deferral plus interest must not exceed the market value of the property less the value of any liens.
6. On or after January 1, 2006, property shall not be eligible unless the property meets either of the following requirements:
  - a. Owner is 65 years of age or older, and the total value of all liens of mortgages and deeds of trust, excluding any mortgagor deed of trust that the holder has agreed, to subordinate to the lien of the state for deferred taxes, is less than or equal to 75% of the actual value of the property, as determined by the county assessor.
  - b. Owner is a person called into military service, and the total value of all liens of mortgages and deeds of trust on the property, excluding any mortgage or deed of trust that the holder has agreed, to subordinate to the lien of the state for deferred taxes, is less than or equal to 90% of the actual value of the property, as determined by the county assessor.

### Procedures:

1. The claimant files an application each year with the county treasurer between January 1 and April 1. The claim must list the actual value of the property based on the county assessor's most recent appraisal.
2. The county treasurer issues a certificate of deferral.
3. The county treasurer records the certificate of deferral and sends the original to the state treasurer. One copy is given to the county assessor and one copy is retained in the county treasurer's office.
4. Manufactured home owners must submit the title to the county clerk and recorder for recording the lien of the state treasurer.
5. The state treasurer pays the taxes on behalf of the participant and charges interest beginning May 1 of the calendar year in which the deferral is claimed. Interest accrues at a rate equivalent to the rate per annum on the most recently issued 10-year United States Treasury note.

## DEFERRED TAXES MUST BE PAID

### When:

1. The claimant dies, unless the surviving spouse elects to continue the deferral. The spouse must be 60 years of age or older and meet the requirements in § 39-3.5-103(b) & (c), C.R.S.  
  
\*When a claimant dies, the loan for deferred taxes, including interest is NOT payable if a taxpayer is a person called into military service or is a taxpayer who is survived by a spouse and the property is the homestead of the surviving spouse and meets the requirements of § 39-3.5-103(1)(b) and (1)(c), C.R.S. In this situation, the loan for the deferred taxes becomes payable when the spouse of the taxpayer dies.
2. The property is sold or the title is transferred to another person.
3. The taxpayer moves for reasons other than ill health.
4. The taxpayer begins to rent the property or otherwise receives income from it.
5. The location of the tax-deferred manufactured home has changed either within the county or has moved to another county.
6. The mortgage, deferred taxes, and accrued interest exceed the market value of real property.

All deferred taxes plus interest are due within one year of the death of the owner or in 90 days for other causes listed above. Property may be given to the State of Colorado in lieu of payment. If the taxes are not paid, the State of Colorado may foreclose on the property.

## REQUIRED FORMS

See your local county treasurer for a copy of the deferral claim form.

## FILING REQUIREMENTS

***You must file an application each year to obtain a current deferral!***

You must file between January 1 and April 1. Although the county treasurer may enclose a deferral form reminder with the tax notice, **YOU MUST APPLY WHETHER OR NOT THE REMINDER IS RECEIVED**. If you have further questions on property tax deferrals, contact your local county treasurer.

Please visit the following website address for more information:  
[www.treasurer.state.co.us/propertytax](http://www.treasurer.state.co.us/propertytax).

# PROPERTY TAX WORK-OFF PROGRAMS

## Administered by Individual Taxing Entities

### REQUIREMENTS FOR ELIGIBILITY

Taxing entities such as a county, city and county, city, town, school district, or special district may implement a property tax work-off program. The program allows taxpayers 60 years of age or older or with a disability to work for minimum wage in lieu of paying all or a portion of the property tax due to the entity. A person with a disability means any individual with a physical impairment, a developmental disability...or mental retardation that substantially limits one or more major life activities, § 39-3.7-101(1.5), C.R.S.

Taxpayers with a disability who apply to participate in a property tax work-off program must include with their application a signed and dated letter from a Colorado licensed healthcare professional verifying they have a disability. Any taxing entity that establishes a property tax work-off program has the authority to further define the term “person with a disability” for purposes of determining eligibility for the property tax work-off program. The definition may restrict the class of individuals who are eligible to participate in the property tax work-off program, § 39-3.7-102(6), C.R.S.

Each participating entity must establish procedures for its program and must make information available regarding the program to the taxpayers living within the boundaries of the taxing entity.

To qualify for the program, you must meet all of the following eligibility requirements:

1. You must be 60 years of age or older.
2. The property must be your “homestead.”
3. The property may not be income producing.

*Not all entities may be participating. If you are interested in the program, you should contact the individual entity for specific information. A list of names and addresses for each entity is available at your local county assessor's office.*

# SENIOR PROPERTY TAX HOMESTEAD EXEMPTION

The Colorado Constitution and Colorado statutes established a property tax exemption of 50 percent of the first \$200,000 of actual value of residential real property which is available to owners who are 65 years of age or older on January 1 and have been the owner of record for the 10 years prior to the assessment date. The exemption is also available to the spouse or surviving spouse of an owner-occupier who previously qualified for the exemption of the same residential real property.

In 2003, the General Assembly temporarily suspended state funding of the homestead exemption program, removing the exemption benefit for tax years 2003-2005. Funding is scheduled to return beginning with assessment year 2006, payable in 2007. During periods when funding is suspended, counties must continue to process exemption applications and administer the exemption program.

Applications must be submitted to the county assessor by July 15 of the year for which the exemption is requested. Forms are available under the Forms and Publication sections of the Division of Property Taxation's website at [www.dola.state.co.us/propertytax](http://www.dola.state.co.us/propertytax). They may also be obtained from your local county assessor.

## Prepared by:

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(Department of Local Affairs)

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