



PA 19-66—sSB 140

*Planning and Development Committee
Finance, Revenue and Bonding Committee*

**AN ACT EXPANDING ELIGIBILITY FOR TAX RELIEF FOR CERTAIN
ELDERLY HOMEOWNERS**

SUMMARY: By law, certain elderly and disabled real property owners are entitled to property tax relief under the state’s “Circuit Breaker Program” (i.e., the Elderly and Disabled Homeowners’ Tax Relief Program). This program entitles older adults and individuals with a permanent and total disability to a property tax reduction, which varies based on the person’s income.

Under this act, eligible property owners include owners of real property that is held in trust for the owner. Prior law was silent regarding such trusts, but previous agency guidance limited eligibility for such property to that held in irrevocable trusts (see BACKGROUND). Under the act, to qualify for tax relief on a home that is held in trust, the owner or the owner and his or her spouse must be both the grantor and beneficiary of the trust. (A grantor transfers property to a trust that is managed by a trustee for the trust beneficiaries.)

Under existing law, unchanged by the act, a tenant for life (i.e., an individual entitled to use the property for the duration of his or her life) is generally eligible for the Circuit Breaker Program if he or she is responsible for paying property taxes on the home he or she occupies and otherwise qualifies for the tax relief.

EFFECTIVE DATE: October 1, 2019, and applicable to assessment years beginning on or after that date.

BACKGROUND

Previous Agency Guidance

Beginning in 2018, the Office of Policy and Management’s (OPM’s) Circuit Breaker Program guidance handbook specified that in order for an individual whose home is held in trust to participate in the program, the home must be held in an irrevocable trust. Before 2018, OPM’s handbook did not distinguish between revocable and irrevocable trusts.