

Response to Questions on the FY 2005 Advertised Budget Plan

Request By: Chairman Connolly

Question: What are the costs of instituting a real estate tax deferral program for our seniors? What are the factors that led to the cessation of the program the last time the Board instituted?

Response: The Department of Tax Administration estimates that the potential revenue loss from implementing a deferral program for the elderly and disabled would be from approximately \$100,000 to \$300,000. This estimate assumes that 10 percent of those eligible would participate in the deferral program. The chief factor in terminating the previous deferral program was that few people participated in the program. A proposal to implement a deferral program would require that the proposal be advertised and that a public hearing be held before it could be approved by the Board of Supervisors.

For more information, please refer to the attached memo from Kevin Greenlief to Chairman Connolly dated February 25, 2004. The memo references SB 361 which now awaits the Governor's signature after passing both the House and Senate.