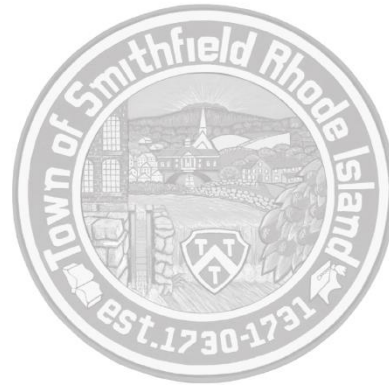


SENIOR TAX BENEFITS

PLANNING FOR A SUSTAINABLE FUTURE



SENIOR TAX BENEFITS

- Property owners receive frozen assessment & tax rate and \$8,000 exemption (\$140 tax savings) if:
 - 65 years of age
 - Owned single-family property for 10 years
 - Occupy property as legal residence

SENIOR TAX BENEFITS

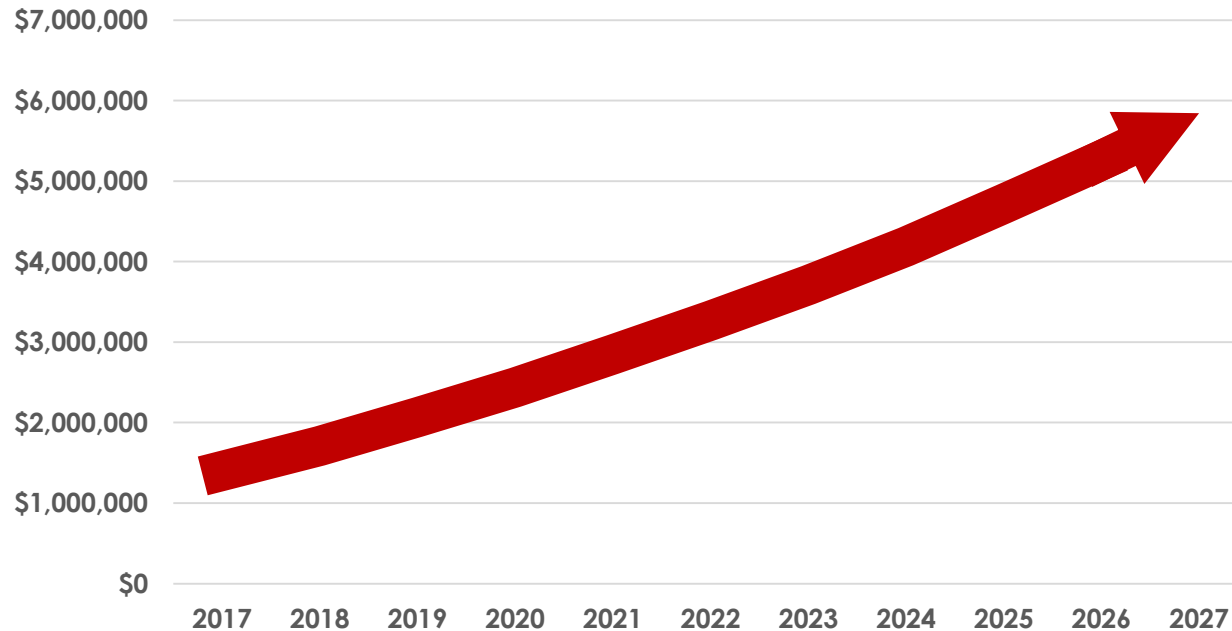
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 - Owned single-family property for 10 years
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- Cost of this program represents a shift of the tax burden from seniors to other taxpayers
 - \$1.4 million in 2017
 - Estimated \$5.8 million in 2027
 - Estimated \$37.4 million over ten years

SENIOR TAX BENEFITS

10-Year Forecast



- Estimated cost to average non-frozen taxpayer
 - 2017: **\$281**
 - 2027: **\$1,172**
 - 10-Year: **\$7,510**

SENIOR TAX BENEFITS

OBJECTIVES

- Create a simple, fair, and **sustainable** plan to offer tax benefits to seniors in Smithfield.
- Give seniors a financial stake in bond issues.

SENIOR TAX BENEFITS

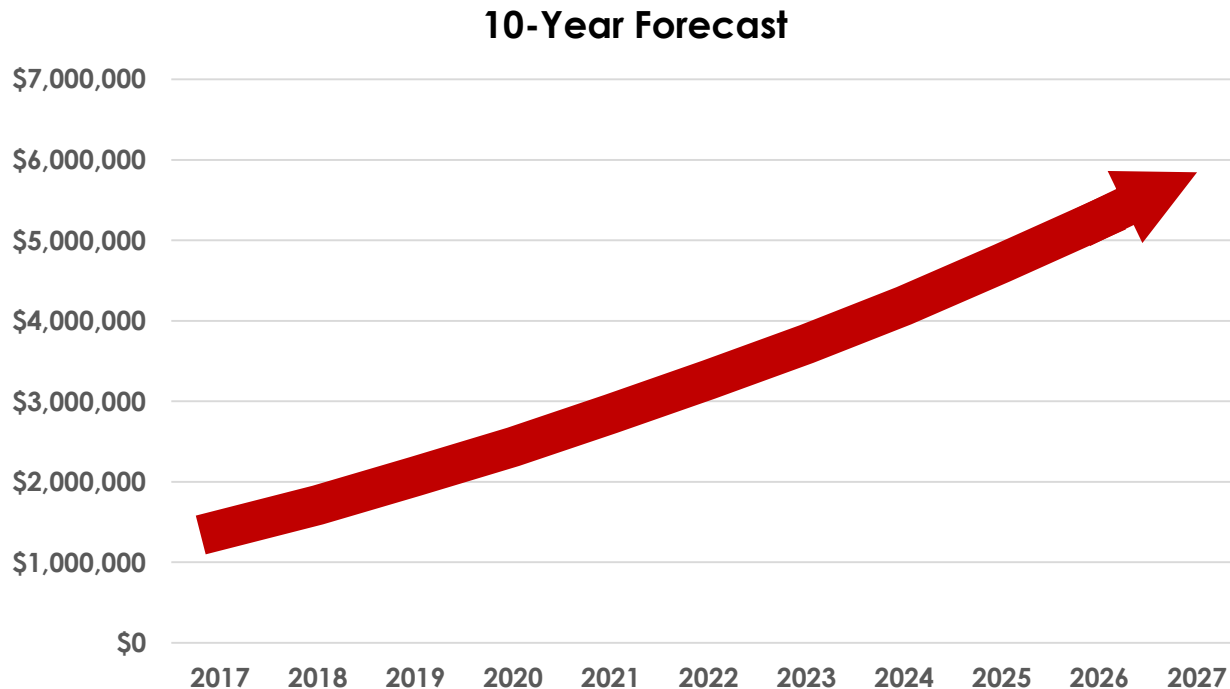
What are other towns doing?

- 28 of 39 RI cities & towns offer senior tax benefits regardless of need
 - Average tax benefit \$467
 - Ranges from \$37 to \$2,070
- Other municipalities offer need-based benefits
 - Based on income and assets

SENIOR TAX BENEFITS

OBJECTIVES

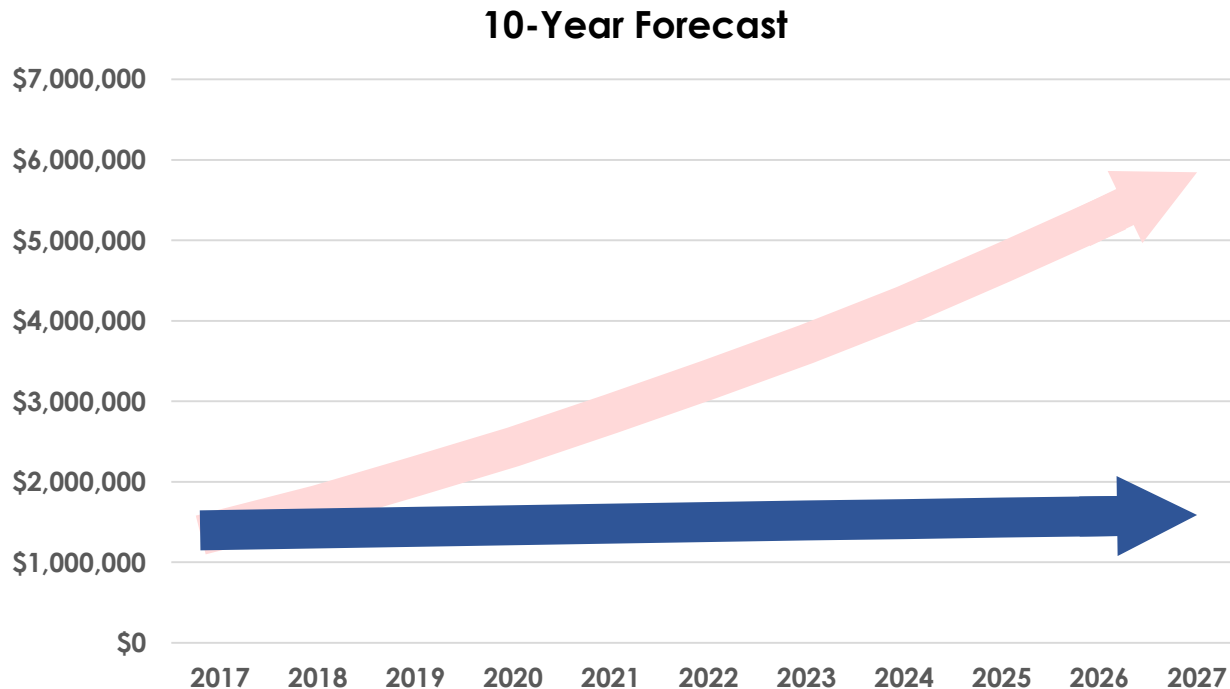
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SENIOR TAX BENEFITS

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SENIOR TAX BENEFITS

FINANCIAL REVIEW COMMISSION

- New seniors are offered tax credit at age 65
 - Tax credit can be based on financial need or not

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 - Tax credit is kept for length of property ownership

SENIOR TAX BENEFITS

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- Discontinue freeze of assessments and tax rates

SENIOR TAX BENEFITS

FRC Plan Results

- Seniors keep the same monetary benefit they currently receive

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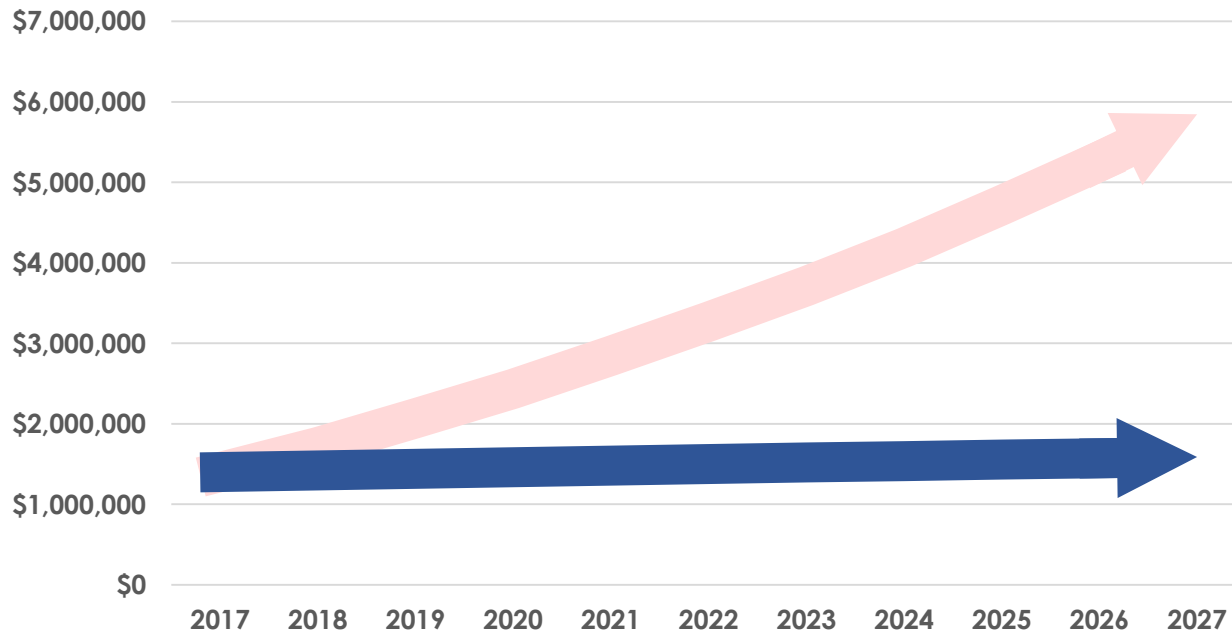
SENIOR TAX BENEFITS

Results

Example uses \$500 tax credit/no financial need

**assumes 97 new enrollees per year, 2% attrition rate*

10-Year Forecast



SENIOR TAX BENEFITS

Example

Mr. and Mrs. Taxpayer are seniors & taxes are currently frozen.

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In 2018, the market tax increases to **\$4,100**

They will pay **\$3,100** in 2018 ($\$4,100 - \$1,000$)

SENIOR TAX BENEFITS

Options

- Amount of tax credit?
- Need-based benefits?

