



**CECIL COUNTY, MARYLAND
COUNTY TREASURER
200 CHESAPEAKE BLVD, STE. 1100
ELKTON, MARYLAND 21921**

**TAX DEFERRAL
INFORMATION AND INSTRUCTION SHEET**

The Annotated Code of Maryland, Tax-Property Article § 10-204 provides for a deferral of County Property Tax to be granted, upon application, for residential real property occupied as the principal residence of the owner.

INFORMATION

This application is filed in accordance with Article VI, § 258 of the Cecil County Code. This section provides for a deferral of County residential real property tax. Application must be made by September 1 of the current taxable year.

Eligible Property Owners

The combined gross income of all individuals who actually reside in the dwelling, except for a dependent of the homeowner or an individual, who pays a reasonable amount for rent or room and board, must not exceed \$60,000. Gross income for this purpose is defined in 9-104 of the Property Tax Article of the Annotated Code of Maryland (see Income Defined Section)

In addition, one or more of the homeowners of the residential property must have:

1. Resided in the dwelling for a period of at least five years AND
2. Qualified under one of the following criteria:
 - a. Is at least 65 years of age (please provide a copy of your birth certificate, drivers license or other proof of age)
 - b. Is permanently disabled and qualifies for benefits under: (enclose letter from agency)
 - i. Social Security Act
 - ii. Railroad Retirement Act
 - iii. Any federal act for members of the United State Armed Forces, or
 - iv. Any federal retirement system
 - c. Is certified to be permanently and totally disabled by a County Health Officer (enclose letter from Health Officer attesting to the disability)

In the event the property is co-owned by two or more owners, all owners must sign the application even if they are not living in the home.

Eligible Property

The amount of property eligible for a payment deferral is the dwelling and acreage assigned to the home as determined by the Supervisor of Assessments for Cecil County.

Amount of Payment Deferral

The amount deferred is the amount that the County property tax due exceeds the amount of County Property Tax paid by the homeowner in the preceding year before discount, if any, is taken. State and town taxes are not eligible for deferral. The total amount deferred may not exceed 50% of the assessed value of the property at the time of the initial application.

Interest on Deferred Amount

There is no interest charged on the deferred amount.

Notice of Lien

A lien shall attach to the property in the amount of deferred tax and interest (if any) and shall remain until deferred tax is paid. The agreement / lien shall be recorded in the land records of Cecil County. All costs of recording the document shall be borne by the applicant. Any mortgagee or beneficiary under a deed of trust will be notified of the deferral and the amount of tax being deferred.

Real Property Tax Bills

All County Real Property Tax not deferred is due and payable, subject to the same interest rate as all other County Property Tax. The annual tax bill shall show the cumulative amount of the deferral and accrued interest as of the date of the billing.

Termination of the Payment Deferral

The total amount of County Property Tax deferred is due and payable when any one of the following occurs:

1. The eligible homeowner ceases to own the property. This could occur when a property is sold, but could also occur when the eligible homeowner dies and the surviving joint owner is not eligible, i.e. 65 or disabled.
2. The eligible homeowner ceases to occupy the property as the principal place of residence.
3. The property becomes subject to Tax Sale.
4. The eligible homeowner fails to submit a timely application for deferral in subsequent years.
5. In the event total combined gross income exceeds \$60,000. If such a situation occurs and the income decreases in future years, the homeowner can reapply. If approved, the new deferral would be calculated based on the taxes that the applicant paid in the tax year which precedes the year for which the new deferral is sought.

A homeowner may end a deferral at any time by giving written notice to the County Treasurer and paying the deferred tax and accrued interest (if any).

Deferrals in Subsequent Years

This application is for the 2011 tax year. Property owners seeking deferrals in subsequent years must reapply. Deferrals will not be granted automatically.

TAX DEFERRAL APPLICATION INSTRUCTIONS

Income Defined

For purposes of the tax deferral program, it is emphasized that the applicant must report **total** income, which means the combined gross household income before any deductions are taken. Income information must be reported for the applicant, spouse or co-owner and all other occupants of the dwelling unless such other occupants were claimed as dependents on the applicant's federal income tax return or unless they are paying reasonable fixed charges, such as rent or room and board. Payment of household expenses by other occupants should be reported as room and board. If other occupants are not dependents and are not being charged rent or room and board, you must include their total gross income. Your spouse and all owners on the deed who reside in the dwelling must report their gross income.

"Gross Income" means the total income from all sources for the calendar year that immediately precedes the taxable year, whether or not the income is included in the definition of gross income for federal and state tax purposes.

"Gross income" includes:

1. any benefit under the Social Security Act or the Railroad Retirement Act;
2. the aggregate of gifts over \$300;
3. alimony;
4. support money;
5. any nontaxable strike benefit;
6. public assistance received in a cash grant;
7. a pension;
8. an annuity;
9. any unemployment insurance benefit;
10. any workers' compensation benefit;
11. the net income received from a business, rental, or other endeavor;
12. any rent on the dwelling, including rent from a room or apartment and
13. Any distributions from an IRA or 401K.

"Gross Income" does not include:

1. any income tax refund received from the state or federal government.
2. any loss from business, rental or other endeavor.

Copy of Federal Tax Return / Other Proof of Income

If you file a federal income tax return, you must furnish a photocopy of your completed federal return, including all accompanying schedules and other forms with this application. If income was derived from a partnership or corporation, a copy of the partnership return (form 1065 including schedule K-1) and/or a copy of the corporate return (Form 1120 or 1120S, including Schedule K-1) must also be included. If separate returns were filed by married spouses, then a copy of each must be included. If you collect Social Security or Railroad Retirement Benefits you must submit copies of you annual 1099 even if you are not required to file a tax return.

Time and Place for Filing

The deadline for filing this application is September 1, 2011. For property tax year beginning July 1, 2011, please pay your full 1st installment in a timely manner to avoid interest charges. Your deferral will be applied toward your 2nd installment or refunded if your bill is paid in full. However, in future years if you submit a properly completed tax deferral application before May 1 and your signed Deferral Agreement returned to Cecil County by June 1, the tax deferral will be deducted on your July bill.

Mail your completed application and a copy of your federal return and schedules to:

**CECIL COUNTY MARYLAND
COUNTY TREASURER
ATTN: TAX DEFERRAL
200 CHESAPEAKE BLVD., STE. 1100
ELKTON, MD 21921**

Income Verification

In individual cases, an applicant may later be requested to submit additional verification or other evidence of income in order to substantiate the application. An application may be subjected to an audit at a later date.

INFORMATION AND ASSISTANCE

For information and assistance, call 410-996-5385 between 8 am and 4:30 pm Monday – Friday or you can email to sdondero@ccgov.org.

PRIVACY NOTICE

The principal purpose for which this information is sought is to determine your eligibility for a tax deferral. Pursuant to state law, information about your finances, including your assets, income, liabilities, or net worth, cannot be disclosed by county officials, unless required by court order. In addition, tax information required in a federal return that is included in a state return may not be disclosed by any county employee unless that employee by reason of office has a right to tax information or unless required by court or legislative order.



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**APPLICATION FOR TAX DEFERRAL
 TAX YEAR BEGINNING JULY 1, 2011**

1. Last Name _____ First Name and M.I. _____		2. Full name Spouse and/or Co-owner(s) living in the property _____	
3. Your Social Security Number _____		4. Social Security Number of spouse or co-owner(s) living on property _____	
5. Your Birth Date and/or Date of Disability Determination _____		6. Spouse or Co-owner Birth Date and/or Date of Disability Determination _____	
7. Full name of co-owner(s) NOT living on property _____		8. Social security number(s) of co-owner(s) NOT living on property _____	
9. Property Address (Number & Street) _____		10. City or Town _____	11. Zip Code _____
12. Mailing Address (if different from above) _____		13. City or Town _____	14. Zip Code _____
15.. Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed (if so, date _____)			
16. Property Number _____		17. Date you began residing on this property _____	18. Daytime Telephone Number ()
19. You MUST list the name of every resident over 18 years of age in your household who is not a co-owner and who <u>cannot</u> be claimed as a dependent for IRS purposes. (If more space is needed, attach a separate list) If none, write NONE			
Name _____		Relationship _____	
Name _____		Relationship _____	
20. Report here the amount of reasonable fixed charges for room, board, rent or expenses paid by the persons listed in item 18. If none is paid, write NONE and then list the total gross income of such residents in Item 21, Column 3 (All Others)			
\$ _____ per _____ Week Month (circle one)		\$ _____ per _____ Week Month (circle one)	
21. Is any portion of the property for which this application is being made used for: a) farming b) business c) a rental purpose? <input type="checkbox"/> Yes <input type="checkbox"/> No IF yes, then circle which use (a,b,c) and indicate what percentage of the dwelling is used for residential purposes: _____ %			
22. a.) Total number of apartments in the property, including vacant apartments. _____			
b.) Amount of rent received during previous year from tenants: Gross _____ Net _____			

<p>23. SOURCES OF INCOME CALENDAR YEAR ENDING DECEMBER 31, 2010</p> <p>When a document is requested, please DO NOT send the original, send a COPY.</p> <p>If no Social Security, Railroad Retirement or other pension benefits were received, then you must enter zero (0) in the appropriate space.</p>	(1) APPLICANT	(2) SPOUSE OR RESIDENT CO- OWNER	(3) ALL OTHER RESIDENTS	OFFICE USE ONLY
Wages, Salary, Tips, Commissions, Fees				
Interest (taxable and non-taxable)				
Capital Gains (includes non-taxable gains)				
Rental Income (Net)				
Business Income (Net)				
Room & Board				
Unemployment Insurance or Worker's Compensation (circle which)				
Alimony Support Money or Public Assistance Grant (circle which)				
Social Security or SSI Benefits (circle which) Attach copy of form SSA-1099				
Railroad Retirement Attach copy of form RRB-1099 or RRB 1099-R				
Other Federal Pensions per year (not including VA benefits)				
Veteran's Benefits per year				
Pensions (if rollover attach copy of 1099-R and proof of deposit)				
Annuities (if rollover attach copy of 1099-R and proof of deposit)				
IRAs (if rollover attach copy of 1099-R and proof of deposit)				
Deferred Compensation (attach a W-2 statement)				
Inheritances; Gifts over \$300; Expenses Paid by Others (circle which)				
All other income (indicate source)				
TOTAL INCOME FOR YEAR 2010				

24. Did you or will you, and/or your spouse, file a Federal Income Tax Return for 2010? Yes No

IF yes, a copy of your return (and if married filing separately, a copy of your spouse's return) with all accompanying schedules must be submitted with this application.

25. Notice of Lien to be sent to the following mortgagee or beneficiary:
(if more space is needed attach a separate list)

Mortgagee/Beneficiary _____

Loan Number _____

Address _____

Mortgagee/Beneficiary _____

Loan Number _____

Address _____

26. I declare under the penalties of perjury pursuant of § 1-201 of the Annotated Code of Maryland Tax-Property Article that this application (including any accompanying forms and statements) has been examined by me and the information contained herein, to the best of my knowledge and belief, is true, correct and complete, that I have reported all monies received, that I have a legal interest in this property, and that this dwelling has been my principal residence for more than five years. I understand that the Cecil County Treasurer may request at a later date additional information to verify the statements reported on this form, and that independent verifications of the information reported may be made. I also understand that intentionally providing false information on this application may subject me to criminal penalties and fines.

I hereby authorize the Social Security Administration, Comptroller of the Treasury, Internal Revenue Service, the Income Maintenance Administration, Unemployment Insurance, the State Department of Human Resources, and Credit Bureaus to release to the Cecil County Treasurer any and all information concerning income or benefits received.

I understand that if this application is approved, the deferral agreement will be filed in the Land Records section of the Office of the Clerk of the Circuit Court along with a lien on my house. I understand that the deferral will cease and the deferred taxes will be due and payable when I cease to own the property; if I cease to occupy the property as my principle residence; if I fail to pay the taxes that are not deferred; if I fail to file a timely application in future years; or if my income increases beyond \$60,000. I understand that this application will not renew automatically and that I must re-apply each year.

Applicant's Signature

Date

Non-resident co-owner

Date

Spouse or Resident Co-owner's Signature

Date

Non-resident co-owner

Date