

Reimbursement for Abatements within Federally Declared Disaster Zones

Mary Peterson
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Abatement Process for Taxpayers

- Taxpayer applies for abatement through traditional local abatement procedure.
- Abatement granted by the local jurisdiction.
 - Taxpayer does not owe portion of tax abated.

Abatement Process for Boards of Abatement

- Local Boards of Abatement must make four findings in order to receive State reimbursement for abatement of the State Education Property Tax. These findings involve four questions, and each must be answered yes for the abatement to be reimbursed.
 - Is the property damage due to the 2011 federally declared disasters?
 - Did the local board of abatement proportionately abate city/town municipal taxes on the property?
 - Did the primary structure on the property suffer at least a 50% loss in value?
 - Did the property owner lose use of the primary structure for at least 90 days?
- Abatement must occur by April 15, 2012

What may be Abated

- The abatement must be on the net taxes due after State property tax adjustments. The abatement can only cover what the taxpayer would have paid.
- The abatement must only cover the taxes for the portion of the tax year during which the use was lost.

Abatement Reimbursement Process for Local Jurisdictions

- The Tax Department will provide local jurisdictions with the forms to apply for reimbursement.
- Local jurisdictions must attach written findings made by the local Board of Abatement to the application, and these findings must reflect all four requirements. The Director of PVR will certify from the written decision whether the criteria were met in each case, and such certification is final.
- Reimbursement will only be available for abatements granted by local jurisdictions by April 15, 2012, and application forms must be received by the Tax Department by May 1, 2012.
- A town may submit an application for reimbursement prior to April 15; however, you may only file once. Amendments will not be accepted.
- The Tax Department will rule on reimbursement within 30 days of receipt of the application, and payment will issue no later than 60 days after receipt of the application.

Special Note for Local Jurisdictions on Education Payments and Interest

- Towns are required to make all regularly scheduled education payments for this year pursuant to 16 VSA Section 426 and 32 VSA Section 5402.
- The application forms additionally will provide for towns to demonstrate unanticipated loan interest incurred due to a disruption in collections related to the extraordinary abatements. The Tax Department will include in its reimbursement approved interest, not to exceed 3% interest on the reimbursed abatement amount, for a period not to exceed 7 months.