Property Tax Breaks Available to Some Elderly

September 26, 2018 - "Aging in place," has become a term that is all the rage. Simply put, it means allowing the elderly to remain in their homes for the rest of their lives. And entire industries have sprung up around this concept. Everything from in-home care to transportation services designed specifically to deal with elderly people. Unfortunately, remaining in your home can prove to be too expensive for some people. And property taxes are often a large portion of those expenses. What you may not know is that depending upon where you live, there may be programs that defer your property taxes available to you. And that can make all the difference in your ability to remain in your home.

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Across the country, available tax deferral programs can vary by jurisdiction but the basics of these programs are pretty much the same in counties where they are available. Here is a for instance.

In Los Angeles County, CA, tax deferral is available to those who are disabled or 62 years of age and over, who have an annual income of $35,500 or less. You must also have at least 40% equity in your home.

Getting into the tax deferral program requires you to file an application with the County Tax Assessor, and the number of people that can participate in it is limited. Applications are approved on a first come, first served basis, so it's important to apply as soon as you think you may be eligible.

Once approved for the program, interest accrues on any deferred tax payments. Again, in Los Angeles, the interest rate is 7% annually. The county will file a lien against you property, just like any other lender as soon as you defer payments and that lien will be released only when you pay the taxes or when the property is sold.

If you have an existing mortgage with an impound account - meaning that your lender collects money from you monthly and pays property taxes and insurance payments for you - it is up to you to notify your lender that you have been approved for tax deferral. And it is up to the lender to determine if they will reduce your monthly payments. Because of this, you should speak with your lender about tax deferral programs prior to applying.

Tax deferral won't work for everyone but for those that qualify, it may provide a way for you to remain in your home and reduce your monthly expenses.
byJim Malmberg

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