

Property Tax Credits: Do You Qualify?

In addition to the 12% state paid credit that all North Dakotans receive, there are a couple of property tax credits for which you may be eligible. The Homestead Tax Credit is for senior citizens and disabled individuals, and the Disabled Veterans Tax Credit is for disabled veterans of the United States armed forces.

Homestead Tax Credit

The Homestead Tax Credit was enacted by the North Dakota State Legislature in 1969. It is available to individuals who are 65 years old or older, or are permanently and totally disabled.

Homeowners

If you meet either of these criteria, you may apply if you reside on and have an interest in the property for which the credit is claimed. For a husband and wife who live together, only one may apply for this credit. Disabled individuals do not need to meet the age requirement, but do need to provide proof of disability.

In order to qualify for the credit, your income, plus the income of your spouse and any dependents, may not exceed \$42,000 for the calendar year preceding the assessment date, and your assets may not exceed \$500,000, including the value of your home.

The Homestead Tax Credit is a reduction to the homeowner's taxable value according to the following schedule:

If your income is	Taxable value is reduced by	Maximum reduction to taxable value	Equal to maximum reduction to true and full value
\$0 - \$22,000	100%	\$4,500	\$100,000
\$22,001 - \$26,000	80%	\$3,600	\$80,000
\$26,001 - \$30,000	60%	\$2,700	\$60,000
\$30,001 - \$34,000	40%	\$1,800	\$40,000
\$34,001 - \$38,000	20%	\$900	\$20,000
\$38,001 - \$42,000	10%	\$450	\$10,000

Contact your local assessment officials for an application and more information on the Homestead Tax Credit for homeowners. Application deadline for homeowners is February 1st in the year in which your property is assessed and for which the credit is requested.

Renters

If you rent and meet the above listed criteria for age or disability, you may be eligible for a partial refund of your rent through the Homestead Tax Credit. The maximum amount of refund

is \$400. Applicants must submit information on rent paid, income from all sources and medical expenses paid for by the applicant that were not covered by insurance.

Here is how the formula works to calculate the refund: When 20% of your net annual rent exceeds 4% of your net income, you receive a refund for the overpayment of rent.

Example: Rent is \$450 per month = \$5,400 per year; Renters income is \$18,000 per year
20% of \$5,400 = \$1,080; 4% of \$18,000 = \$720
 $\$1,080 - \$720 = \mathbf{\$360 \text{ refund}}$

Contact the Office of State Tax Commissioner for an application and information on the rent refund. Application deadline for renters is June 1st following the year for which the refund is claimed.

Mobile Homeowners

If you own a mobile home and pay rent toward the lot on which the mobile home is located, you may qualify for both the homestead credit and the renters refund. Contact your local assessment officials for an application and more information. The application deadlines apply for both programs.

Disabled Veterans Tax Credit

The Disabled Veterans Tax Credit was enacted in 2009 by the North Dakota State Legislature. This property tax credit is available to veterans of the United States armed forces with a disability of 50% or greater. To qualify, individuals must also have been discharged under honorable conditions or be retired from the armed forces of the United States, and must reside on and have an interest in the property for which the credit is claimed.

Proper documentation regarding your service-connected disability and military honorable discharge (when claiming for the first time) must be included with your application.

The Disabled Veterans Credit is a reduction to the taxable value of your property as follows:

Disability percentage	Maximum reduction to taxable value	Equal to maximum reduction to true and full value
100%	\$6,750	\$150,000
90%	\$6,075	\$135,000
80%	\$5,400	\$120,000
70%	\$4,725	\$105,000
60%	\$4,050	\$90,000
50%	\$3,375	\$75,000

Contact your local assessor or county director of tax equalization for an application or more information on the Disabled Veterans Tax Credit. Application deadline for this credit is February 1st of the year in which your property is assessed and for which the credit is requested.