

Q & A From the Desk of Bill Kendall, Commissioner

RE: Proposed Legislation for \$10,000 Tax Exemption for Homeowners

Question: I am having trouble understanding the Homeowners Tax Relief Grant and why it seems to have changed.

Answer: For the past 10 years, in addition to the regular \$2,000 exemption the State has funded an additional \$8,000 resulting in the homeowner receiving a \$10,000 Homestead Tax Exemption. Due to State revenue shortfall Gov. Perdue eliminated the grant from his budget. However, this week the Governor and the legislature approved funds for the 2008 tax bill.

Question: Does this mean there will be a tax increase on my home for the 2009 tax bill?

Answer: Yes – there is pending legislation that would eliminate State funding for 2009 and future funding unless there is a substantial increase in State revenue. Homeowners will see a tax increase as it now stands. I have passed a resolution asking our State Representative Stephen Allison and State Senator Jim Butterworth to pass local legislation that gives Towns County voters an opportunity to vote to permanently increase their Homestead Exemption to \$10,000, which would off-set the change resulting from the loss of State funding. If this legislation is approved and voted in by the voters before the 2009 tax bills are approved and sent out there will not be a tax increase on your home as a result of the State not funding the Homestead Tax Relief Grant.

Towns County has the highest percentage of seniors in the state who are retired and living on a fixed income. I firmly believe they, along with all other homeowners including the very young just starting out, should have an opportunity to vote whether or not to pay any tax on the first \$10,000 of tax assessment placed on the house they live in, which is one of the three basic necessities of life; food, clothing and shelter.