

**The application process needs to be streamlined into 1 simplified application. No more multiple applications for different credits/reductions I think you need to define the dates and eligibility for all three programs and make them consistent.**

**In reading Chapter 75 it really not feasible to have an application out on July 1, 2025 and give the billing a credit in Jan 1, 2026. I think the application process needs to be moved back to Feb 1, 2025 (like the blue booklets for the PTR) and any application received by May 1, 2025, they can elect to have a credit applied to the property tax bill or a check. The reason behind that is so it does not affect people who have mortgages with their escrow. Any application received after that after that date would get a check.**

**Some of the issues I see with a credit use examples from when we had homestead rebates**

**There needs to be very precise language about the sale of a property before the credit has been applied. Instructions for the applicant must be large, bold, and easy to understand.**

**There must be hardline rules for when a property has sold, and the credit has been applied to the property. The municipality cannot be held responsible for refunding or moving a credit when a property owner fails to file the application correctly or immediately notify the State of a sale prior to the credit being applied.**

**Timing is a huge concern. Reason behind the May 1, 2025, date is timing putting it on the bill.**

The file would need to be created and sent to municipalities in early/mid-June of the 2025 State fiscal year in order to be applied to the August 2025 tax quarter in 2026 State Fiscal Year.

Many towns do estimated August bills which are required by statute to be sent by June 30<sup>th</sup>. Towns that do not send estimated bills must send their yearly bills by July 17<sup>th</sup> to avoid extending the grace period for the August quarter.

We estimate that the decision to put the credits on the August quarter would need to be made by May 1, at the latest, to have the files ready for early/mid-June.

The Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) would need to be notified that the decision was pending to have the tax collection vendors verify their clients before the Division of Taxation creates the files to be applied. This process can take about 2 weeks. DCA/DLGS updates the vendor clients with Taxation before the files are created.

### **Timelines:**

Decision if made May 1, 2025 (July 1, 2025)

It takes 5 – 6 weeks for the Division of Taxation to create the files that need to be applied to the tax collection vendors programs. Taxation would also create PDFs of those files for municipalities to use for references after the files are uploaded into their vendor's systems.

May 20<sup>th</sup> – May 27<sup>th</sup> (August 4<sup>th</sup> – 11<sup>th</sup>)

Taxation then sends the files & PDFs to DCA/DLGS. Because some of the municipal codes used by Taxation do not align with those used by DCA/DLGS, they must be adjusted by DCA/DLGS. This can take a couple of days. After the codes are aligned, DCA/DLGS sends the files to the large tax collection vendors for testing. This often takes a few days. Once testing is complete, all vendors receive their files and are given a day or two to upload and get ready for their clients.

June 2<sup>nd</sup> – June 10<sup>th</sup> (August 18<sup>th</sup> – 22<sup>nd</sup>)

At this point, the municipal collectors are notified that their files are ready, and municipalities that are sending estimated bills can begin adjusting their bills. Once the collectors are satisfied that the adjustments were made properly, they can send their entire billing file out for printing.

Best case scenario, the adjustments would be ready by mid-June for the estimated bills.

This would also mean that the remaining towns doing regular full-year billing would have the information ready to go when the State budget is approved and finalized. (Estimated bills would have been sent without the credits, only full year bills would be able to be adjusted. If the town did not send estimated bills, the August quarter would have an extended grace period of at least 25 days from the mailing of the bills. Delaying the billing for the August quarter may cause towns to go out for tax anticipation notes in order to pay their bills and their County and School obligations. This can create a situation where the town must now raise taxes.)

