

## **PRESS RELEASE**

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### **Continuation of COVID-19 Property Tax Relief Programs**

**FOR IMMEDIATE RELEASE – December 28, 2020:** On April 6, 2020, the Simsbury Board of Selectmen voted to adopt two programs for property tax relief during the COVID-19 pandemic. Both programs, which were authorized by Governor Lamont's Executive Order 7-S, are continued for tax bills due January 1, 2021 pursuant to Executive Order 9-R.

Under Executive Orders 7-S and 9-R, Simsbury is required to provide one or both of the following two COVID-19 property tax relief options: (1) a temporary deferment of tax collections (the "Tax Deferment Program"); and/or, (2) a significantly reduced interest rate on delinquent payments of taxes due and payable (the "Interest Rate Reduction Program").

Simsbury has elected to offer both tax relief programs to its taxpayers.

The Deferment Program requires a showing of COVID-19 financial impact and the taxpayer must file an application with the Tax Collector no later than January 31, 2021 in order to qualify. The Interest Rate Reduction Program does not require an application to be filed by the taxpayer.

#### **Tax Deferment Program**

This program allows Simsbury to delay payment of any real property, personal property, motor vehicle taxes, and sewer use bills due January 1, 2021 for ninety (90) days from the date that they become due and payable without interest or penalty.

**The effect of this program is the equivalent of an extended grace period.** The last day to pay the January 1, 2021 tax installment without interest is April 1, 2021. Simsbury is offering this program to "eligible taxpayers," which the State Office of Policy and Management (OPM) defines as businesses, nonprofits, and residents, who attest or document "significant economic impact by COVID-19" and/or those that document that they are providing relief to those "significantly affected by the COVID-19 pandemic."

OPM has issued guidance on taxpayers that are considered "eligible taxpayers", defined as follows:

- **Resident:** household suffered a reduction in income of at least 20% due to COVID-19
  - Since April 1, 2020, applicant has been either (1) furloughed without pay; (2) hours significantly reduced; or (3) unemployed.
- **Business/Non-Profit Organization:** revenue expected to decrease at least 30% from October 2020 to January 2021 versus October 2019 to January 2020
  - Proof of Ownership must be attached such as a business license, utility bills, Secretary of State listing, or other proof of ownership

**Landlord Eligibility Under the Deferment Program:**

In order for landlords (or any taxpayer that rents or leases property to tenants or lessees) to be eligible for the Deferment Program, they must provide the Tax Collector with documentation that either the parcel will suffer significant income decline, or, that commensurate forbearance has been offered to their tenants.

Commensurate forbearance means (1) a deferral of 25% of rent for three (3) months after its due date; (2) a deferral of one month's rent to be paid over the next three (3) month period; or (3) forbearance substantially similar to (1) or (2) as determined by the tax collector. The landlord must provide documentation evidencing proof that tenants have received forbearance or that the landlord has actively offered forbearance to the tenants or lessees.

**Tax Deferment Applications:**

The Tax Deferment Applications and supporting documentation are available online at <http://www.simsbury-ct.gov/tax>.

The Application form and supporting documentation must be received no later than January 31, 2021 by the Simsbury Tax Collector's Office, Town Hall, 933 Hopmeadow Street, Simsbury Connecticut, 06070. Emailed Application forms and supporting documentation will be accepted at [simsburymail@simsbury-ct.gov](mailto:simsburymail@simsbury-ct.gov).

**Interest Rate Reduction Program**

The second program approved by the Board of Selectmen provides for a reduced interest rate on delinquent taxes. For any taxes due January 1, 2021, any delinquent portion of the principal of the tax due shall be subject to 3% annual interest or 0.25% per month from the time when it became due and payable until the same is paid through and including March 31, 2021. The portion that remains delinquent as of April 1, 2021 shall be subject to interest and penalties as previously established. This program applies only to the January 1, 2021 tax bill, not bills that are already delinquent. Interest accrued through December 31, 2020 will remain as is.

This Program does not require taxpayers to qualify based on eligibility criteria, and no application is necessary to participate in the Program.

Landlords are eligible for the Low Interest Rate Program if Commensurate Forbearance, as defined above, has been offered to their tenants.

**Tax Escrow Payments:**

The Governor's Executive Order 7-S does not affect those tax payments that are paid from escrowed funds by banks on behalf of Simsbury taxpayers. The financial institutions holding escrowed funds on behalf of Simsbury taxpayers are required to make the escrow payments to the Simsbury Tax Collector for taxes regardless of the borrower's eligibility for participation in the Deferment Program or Low Interest Rate Program.

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