

School Homestead Exemption Updates

Expiration of existing S-4 exemption. The S-4 homestead exemption for school property taxes in Decatur took effect in 2017 for resident homeowners over the age of 65. It gave an exemption from school property taxes during a five-year period. This exemption will expire on December 31, 2021.

Referendum on new school exemptions. Under Senate Bill 292, a referendum is being held November 2, 2021, on whether to create two new, additional, temporary school property tax homestead exemptions. One, which the City would designate as the S-5 exemption, would provide an exemption on \$200,000 of assessed home value (\$400,000 of appraised value) for seniors age 65-69, if their household federal adjusted gross income is less than \$53,000. Under the second, the S-6 exemption, homeowners age 70 and above would be eligible for a reduction of \$200,000 of assessed home value (\$400,000 of appraised value) without an income cap. Additional information about the proposal is on the City Schools of Decatur website.

Impact on senior homeowners if approved. Generally speaking, homeowners over the age of 65 with income under \$53,000 and a home valued under \$400,000 would not pay school property taxes from 2022-2023 under the newly proposed exemptions. Homeowners over the age of 70 with homes valued over \$500,000 would generally owe something towards school property taxes. However, because of the number of possible exemptions based on exact age and income of the homeowner, individual savings based on the newly proposed homestead exemptions will vary by household.

Except the S-4 exemption, all other existing school exemptions will stay in place. The S-3 exemption reduces assessed value by \$50,000 for resident homeowners over the age of 70 regardless of income. The S-2 provides a 100 percent exemption from school taxes if the resident homeowner is age 80 or older with federal adjusted gross income under \$40,000. The GS-1 and S-1 exemptions provide additional school tax relief for seniors over the age of 62 under certain income limits. None of those exemptions will expire.

GH-2 exemption. Some homeowners who have turned 65 during 2021 have asked the City about the S-4 exemption. No new exemption applications submitted for the S-4 during 2021 can be honored for 2022. However, the City has a separate exemption, the GH-2, for resident homeowners age 65 and older regardless of income. The GH-2 paper application form was combined with the S-4 application form while the S-4 was in effect. The GH-2 will remain in place and is not expiring regardless of the expiration of the S-4 exemption. It usually saves eligible homeowners over \$100 per year on the City-portion of property tax bills. Homeowners who have turned 65 during 2021 are still eligible to apply for the City's GH-2 homestead exemption anytime between now and March 15, 2022, to receive the exemption in 2022 and beyond. Homeowners who already had the S-4 and/or GH-2 exemption do not need to reapply for the GH-2.

Next steps. No action is needed during November through December of 2021 from homeowners who are 65-69. If the newly proposed exemptions are approved, they would become effective as of January 2022. The application period for 2022 would be January through March 15, 2022. The City would not be able to accept S-5 or S-6 applications prior to January 2022.

In light of the COVID-19 pandemic, the City is exploring options for possible electronic filing of new school homestead exemption application(s). After the referendum, updates about the S-5 and S-6 application process will be posted at www.decaturga.com/homestead.