

# Tax Freeze

## What is Tax Freeze?

The City of Chattanooga Tax Freeze Program was implemented to help seniors and disabled veterans by freezing the property tax amount on their primary residence (including Mobile homes) for future years. Applications must be submitted and approved annually. Applicants must reapply every year to participate in the subsequent year.

## Who will administer the program?

The Office of City Treasurer will administer the program for the City of Chattanooga property taxes.

## Do I Qualify for Tax Freeze?

Eligibility Requirements for the City Of Chattanooga Property Tax Freeze Program

- Are you or will be 65 years or Older by 12/31/2020?
- Do you own and live in a home in the City of Chattanooga that is your primary residence?
- Is the total income for you, your spouse, and all parties listed on your property deed less than \$40,730 for 2019?

You must be the owner and be the principal residence - not to exceed 5 acres - and only the portion of property used for residential structure

Please note that any improvements to the property that change the assessment value will be factored into an increased tax amount, regardless of your tax freeze status.

Legislation requires the income of the applicant's spouse to be included, regardless of ownership and regardless of whether or not the spouse is living on the property.

More information can be found at the Tennessee Comptroller of the Treasury's website: <https://comptroller.tn.gov/office-functions/pa/property-taxes/property-tax-programs/property-tax-freeze.html>

How do I apply?

Applications must be received by April 5 for a given tax year.

Applicant must reapply annually.

The deadline to apply is April 6, 2021. Taxes must be paid by this time also. Please provide a copy of your last tax return or complete the tax freeze affidavit if no tax return is available, and have it notarized.

## ***Frequently Asked Questions about Tax Freeze***

### **1. Will there be a lien placed on my property if I accept the freeze?**

No. The City does not place a lien on property where tax freeze has been granted.

### **2. If my taxes are paid by a mortgage company can I still apply for the freeze?**

Yes. For qualified applicants, mortgage companies are provided with frozen tax amounts or the regular base tax (whichever is lower) on an annual basis.

### **3. Can I receive tax freeze if I am currently receiving tax relief?**

Yes. You may receive both the tax freeze and tax relief as long as you meet the requirements set for each.

### **4. Do all owners have to be 65 in order to apply?**

No. Only one owner must be 65 years of age or older by December 31, 2020 to apply.

### **5. If my property is listed as a life estate can I still qualify?**

Yes. In order to determine eligibility, proof of the life estate may be required when application is made. Contact the Treasurer's Office at (423) 643-7262 for further information.

### **6. Can I transfer the property tax freeze from one property to another?**

No. If you sell or purchase a property you must reapply and establish a new base tax amount.

**7. How is ownership verified?** Acceptable ownership evidence includes a deed (warranty, quitclaim, etc), probated will, title, or bill of sale for a mobile home, divorce decree, land contract, or trust.

### **8. What if I owned the property for only part of the year?**

An owner does not have to own the property on January 1 of the tax year. However, an applicant must own the property for any portion of the year for which application is made and must retain through the application deadline.

### **9. My spouse is not listed as an owner on the deed. Do I need to include my spouse's income?**

Yes. New legislation requires the income of the applicant's spouse to be included, regardless of ownership or residency.

### **10. What amount of tax becomes the frozen tax amount?**

The amount paid in the year the owner first qualifies. (This does not include water quality fees.)