

COMMUNITY PRESERVATION SURCHARGE
LOW/MODERATE INCOME EXEMPTION

Exemption Eligibility Requirements:

- **Applicant must own and occupy the property as of January 1.**
May be (1) sole owner, (2) co-owner, (3) life tenant or (4) trustee with sufficient beneficial interest in property under terms of trust.
For property subject to trust, each co-trustee must meet income standard.
- **Applicant must provide proof of age to determine whether under or over age 60.**
- **Applicant must provide proof of Annual Household Gross Income from all sources from all household members who are 18 or older and not full time students during calendar year.**
Includes: wages, salaries and bonuses, public and private pensions, retirement income, Social Security, alimony, child support, interest and dividend income, net income from business, public assistance, disability and unemployment insurance, regular contributions/gifts from party outside the household.
- **Applicant must provide proof of number of dependents.**

Determination of Eligibility of Applicant's (Net) Annual Household Income

Step 1. Determine Annual Household Gross Income.

Step 2. *Deduct* allowance for Dependents.

- Number of dependents on January 1 (not including spouse) x \$ DCHD allowance (Currently \$300 per dependent).

Step 3. *Deduct certain* Medical Expenses. [must be documented]

- Total out-of-pocket medical expenses of all household members for calendar year exceeding 3% of Annual Household Gross Income.

- Out-of-pocket medical expenses include: health insurance premiums, payments to doctors, hospitals and other health care providers, diagnostic tests, prescription drugs, medical equipment or other expenses not paid or reimbursed by employers, public/private insurers or other third parties.

Following the steps above, the result determines the (Net) Annual Household Income to be applied for the CPA Low/Moderate Income Exemption. This amount *cannot exceed the Annual Income Limit for household type and size as determined by the Housing Urban Department (HUD)*.

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Annual Income Limit by household type and size

Fiscal Year 2007 US HUD AWM I (Area Wide Median Income) (\$84,100 x factor)

Examples in determining Applicant's eligibility:

If Applicant (or spouse) is over age 60 :

| <u>household size</u> | x | <u>AWMI</u> | x | <u>size factor</u> | = | <u>(Net) Annual Income limit</u> |
|-----------------------|---|-------------|---|--------------------|---|----------------------------------|
| 1 | x | \$84,100 | x | .70 | = | \$58,900 |
| 2 | x | \$84,100 | x | .80 | = | \$67,300 |
| 3 | x | \$84,100 | x | .90 | = | \$75,700 |
| 4 | x | \$84,100 | x | 1.00 | = | \$84,100 |
| 5 | x | \$84,100 | x | 1.08 | = | \$90,800 |
| 6 | x | \$84,100 | x | 1.16 | = | \$97,600 |
| 7 | x | \$84,100 | x | 1.24 | = | \$104,300 |
| 8 | x | \$84,100 | x | 1.32 | = | \$111,000 |

If Applicant (and spouse) are under age 60 :

| <u>household size</u> | x | <u>AWMI</u> | x | <u>size factor</u> | x | <u>HUD factor</u> | = | <u>(Net) Annual Income limit</u> |
|-----------------------|---|-------------|---|--------------------|---|-------------------|---|----------------------------------|
| 1 | x | \$84,100 | x | .70 | x | .8 | = | \$47,100 |
| 2 | x | \$84,100 | x | .80 | x | .8 | = | \$53,800 |
| 3 | x | \$84,100 | x | .90 | x | .8 | = | \$60,600 |
| 4 | x | \$84,100 | x | 1.00 | x | .8 | = | \$67,300 |
| 5 | x | \$84,100 | x | 1.08 | x | .8 | = | \$72,700 |
| 6 | x | \$84,100 | x | 1.16 | x | .8 | = | \$78,000 |
| 7 | x | \$84,100 | x | 1.24 | x | .8 | = | \$83,400 |
| 8 | x | \$84,100 | x | 1.32 | x | .8 | = | \$88,800 |

