



# Safe, Clean Water Program

## General Income-based Tax Reduction Program Procedures and Guidelines

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Chief Engineer of the  
Los Angeles County Flood Control District

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Date Adopted

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# Safe, Clean Water Program

## General Income-based Tax Reduction

## Procedures and Guidelines

### Overview

Section 16.10.C of the Los Angeles County Flood Control District (District) Code states:

“The Chief Engineer shall work with stakeholders to develop and implement a general income-based tax reduction program including implementation procedures and guidelines for the program and shall update those implementation procedures and guidelines from time to time, consistent with the purposes and goals of the SCW Program, as the Chief Engineer deems necessary or appropriate for the effective operation of the program.”

### Definitions

Very Low-Income Household – A household in the District with a household income that does not exceed the Very Low-Income limit for Los Angeles County, as determined annually by the California Department of Housing and Community Development.

Extremely Low-Income Household - A household in the District with a household income that does not exceed the Extremely Low-Income limit for Los Angeles County, as determined annually by the California Department of Housing and Community Development.

### Guidelines

Through the General Income-based Tax Reduction Program, Very Low-Income and Extremely Low-Income Household Parcel owners may receive a reduction from the Special Parcel Tax in accordance with the Section 16.10.C and these Procedures and Guidelines. Qualified Households will receive a reduction percentage based on the household income and number of persons in the household. To qualify, parcel owners must submit a General Income-based Tax Reduction Form (“Form”) and provide supporting documentation demonstrating that they meet the criteria described within this document. The required documentation includes:

- Proof of ownership of the parcel
- Proof of primary residence at said parcel
- Proof of Very Low-Income or Extremely Low-Income
- Certification that the owner(s) is(are) head of household or that the owner(s) is(are) are the sole provider of maintaining the costs of the home.

### Proof of Ownership and Residence

Parcel owners must both own and live at the residential parcel. Parcels that are subdivided into multiple residential units, or a “Multi-Family” residential parcel with tenants who pay rents to the parcel owner are not eligible for the reduction.

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## Proof of Income

Parcel owners must be at or below the Very Low-income or Extremely Low-income limits as described in the Form. Income limits are defined by the California Department of Housing and Community Development (<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2019.pdf>) and the limits change based on the total number of residents within the household. Owners must provide documentation in the form of tax returns, social security, W-4, or other types of documentation verifying the owner's income.

## Certification of Head of Household or Sole Provider

Parcel owners must certify that they are the sole providers for maintaining the costs of owning a home.

## Procedures

A Form must be filed annually for each upcoming fiscal year (July 1 through June 30) in which a parcel owner intends to claim the reduction.

For the initial Safe, Clean Water Program fiscal year (fiscal year 2019-20), approved Forms will be accepted until May 1st, 2020, and if approved, will be effective for fiscal years 2019-20 and 2020-21. A parcel owner that submits a Form on or before May 1st, 2020 and is approved, must pay their full Special Parcel Tax amount for Fiscal Year 2019-20, but will receive a tax refund within 6 months of the date of submittal of their Form. The 2020-21 reduction will be applied on the corresponding tax bill.

In regard to the Special Parcel Tax for fiscal year 2021-22 and all subsequent fiscal years, Forms will be accepted until May 1<sup>st</sup>. Parcel owners whose Form is approved will receive a corresponding tax reduction for the upcoming fiscal year.

The Household Income limits and the associated Special Parcel Tax percent reduction are shown in the table below. The income limits are valid for fiscal year 2019-20 and 2020-21. For households above 8 persons, add \$4200 to income for each additional person.

LA County Income Limits	Income Category	Number of Persons in Household								Special Parcel Tax Percent Reduction
		1	2	3	4	5	6	7	8	
<b>Household Income</b>	<b>Extremely Low</b>	\$21,950	\$25,050	\$28,200	\$31,300	\$33,850	\$36,350	\$ 39,010	\$ 43,430	<b>75%</b>
	<b>Very Low Income</b>	\$36,550	\$41,800	\$47,000	\$52,200	\$56,400	\$60,600	\$ 64,750	\$ 68,950	<b>25%</b>

Source: 2019 State Income Limits, California Code of Regulations, Title 25, Section 6932 (<http://www.hcd.ca.gov>)

- Example 1. Homeowner A has a household income of \$27,000 and has 3 persons living in the household. Homeowner A would be under the Extremely Low-Income category and can receive a 75% reduction from the Special Parcel Tax. If the Special Parcel Tax was \$90.00, Homeowner A would receive a \$67.50 reduction ( $\$90.00 \times 0.75$ ). Their Special Parcel Tax obligation will be updated to \$22.50 ( $\$90.00 - \$67.50$  reduction).
- Example 2. Homeowner B has a household income of \$42,000 and has 2 persons living in the household. Homeowner B would not qualify for a tax reduction because the household income is above the income limit threshold.