

**TAX: ACT 60 TAX REDUCTION**

**TB-20**

**SUBJECT: Claims of Decedents**

**ISSUED: 3/23/00**

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This bulletin addresses the treatment of prebate and property tax income sensitivity adjustment claims under Title 32, chapter 154 in various circumstances in which the homeowner died prior to receiving the final benefit.

(1) A homeowner received a prebate in 1999, but died in 2000 prior to filing a reconciliation (HS) form.

The prebate request is considered to be a timely claim under 32 V.S.A. § 6063. Receipt of a prebate obligates a claimant to file a reconciliation form. See No. 1, § 60b. If the recipient of a prebate dies prior to filing that reconciliation, the estate of the decedent is responsible for filing the reconciliation, just as an estate has an obligation to file an income tax return for the year in which a taxpayer dies. If the reconciliation establishes an underpayment of the prebate, that amount is due to the estate. If the prebate was overpaid, the estate owes the overpayment to the State.

(2) A decedent who would have been entitled to income sensitivity did not receive a prebate in 1999 and died in 2000 prior to filing a reconciliation form.

The estate has no right to income sensitivity with respect to the decedent's homestead because section 6063 specifies that the right to file a claim is personal to the claimant and does not survive his or her death. In this case nothing was filed by the homeowner which can be considered "claim" under section 6063.

(3) A homeowner received a prebate in 1999 and then died in 1999.

The prebate must be repaid to the State because the claimant did not have a homestead on the last day of the taxable year and therefore is not eligible for the homestead property tax adjustment under 32 V.S.A. § 6066. Since the prebate is a prepayment of that

adjustment, it must be repaid.

(4) A homeowner filed a reconciliation form in 2000 and then died.

Any amount due may be paid to another member of the household as determined by the commissioner. 32 V.S.A. § 6063. If an amount is due from the deceased and it is not paid with the reconciliation form or paid out of an income refund, it is the obligation of the estate of the decedent.

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Approved:

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