

MAY 8 OR 9, 2003 TORNADO TAX CREDIT

FORM 575

(For residential real property owners only)

Read all information on the back of this form prior to completing the fields below.

Keep a copy of this form to file with your return for the next four years.

Form with six input fields: Name, Social Security Number, Name of property owner(s), Address of Property, Parcel Identification Number or Account Number, Legal Description of Property.

Credit Computation

Line 1: Enter the allowed ad valorem property tax paid on the property and improvements the first year after the improvement is completely or fully repaired or rebuilt.

(If you increased the size of your home, see Line 1 instructions on the back of the form to determine the amount to enter on this line)

Line 2: Enter the ad valorem property tax paid on the property and improvements for tax year 2002.

Note: You must be the owner of record for each tax year the credit is claimed.

Line 3: Refundable credit available for tax year 2006. (Subtract line 2 from line 1)

Line 4: Refundable credit available for tax year 2007. (Multiply line 3 by 80%)

Line 5: Refundable credit available for tax year 2008. (Multiply line 4 by 80%)

Line 6: Refundable credit available for tax year 2009. (Multiply line 5 by 80%)

Line 7: Refundable credit available for tax year 2010. (Multiply line 6 by 80%)

The filing of this form authorizes the Oklahoma Tax Commission to verify the information contained herein with the applicable County Assessor's and/or Treasurer's office.

# MAY 8 OR 9, 2003 TORNADO TAX CREDIT INSTRUCTIONS

## Title 68 O.S. Section 2357.29

For tax years beginning after December 31, 2003, there shall be allowed a credit against income tax for owners of residential real property whose primary residence was damaged or destroyed in the May 8 or 9, 2003 tornado. The amount of the credit shall be the difference between the ad valorem property tax paid on such property and improvements in the year prior to the tornado damage or destruction and the amount paid on the property and improvements the first year after the improvement is repaired or rebuilt. For purposes of this credit, the amount of ad valorem property tax paid the first year after the improvement is repaired or rebuilt shall be based on the same or similar square footage as the improvement which was damaged or destroyed.

The credit shall be a refundable credit. Eligible taxpayers shall be entitled to claim this credit for five consecutive years. After the first year the credit is claimed, the amount of the credit shall be 80% of the previous year's credit.

The credit shall not be allowed if the property is transferred or title is changed or conveyed. Any credit claimed and allowed prior to the transfer of the property or the change or conveyance of title shall not be affected.

### *In order to qualify for this credit:*

1. The property shall have been damaged or destroyed by the tornado or similar cyclonic winds on May 8 or 9, 2003;
2. The property shall be within an area which has been declared a federal disaster area;
3. The property shall be the primary residence of the owner both the year prior to and after the May 8 or 9, 2003 tornado;
4. The owner shall have been granted a homestead exemption or be eligible to claim a homestead exemption both the year prior to and after the tornado;
5. The primary residence shall be repaired or rebuilt on the same property as it existed prior to the May 8 or 9, 2003 tornado; and
6. The primary residence shall be repaired or rebuilt and used as the primary residence no later than December 31, 2005.

### **Line 1 instructions:**

If your home, after being rebuilt or repaired, has more square feet than it did in 2002, do not enter the full amount of your property tax on line 1. The credit is based on same or similar square footage; therefore, you must determine the portion of your property tax based on the size of your home, as it was in 2002. Use the following steps to determine the amount to enter on line 1.

Step One: Determine the property tax, per square foot, of your home after being rebuilt or repaired. To do this divide the property tax on your rebuilt or repaired home by your home's current square footage.

Step Two: Multiply the amount from Step One by what your home's square footage was in 2002. Enter this amount on line 1, this is the portion of your property tax upon which the credit is based.

Example: Your home in 2002 was 1,200 square feet and your property tax was \$390. After your home was rebuilt or repaired it is now 2,500 square feet and your property tax is \$1,000.

Step One:  $\frac{\$1,000}{2,500} = \$0.40$  per square foot.

Step Two:  $\$0.40 \times 1,200 = \$480$ .

Enter \$480 on line 1 and \$390 on line 2. Your credit is \$90 (line 3).