Division of Local Services – Guides
Property Tax Exemptions

Surviving Spouse

DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Michael J. Heffernan
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX EXEMPTIONS

SENIORS
SURVIVING SPOUSES
MINOR CHILDREN (OF DECEASED PARENT)
Clauses 17, 17C, 17C½, 17D

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax exemptions for seniors, surviving spouses and minor children of a deceased parent. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors**. The DOR cannot determine your eligibility or give you legal advice. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished).

INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges the taxpayer from the legal obligation to pay all or a portion of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c. 59, § 5).

Clauses 17, 17C, 17C½ or 17D provide partial exemptions to (1) seniors, (2) surviving spouses, and (3) minor children with a deceased parent, who meet specific ownership, occupancy and asset requirements. Seniors 70 or older may, alternatively, qualify for an exemption under Clauses 41, 41B, 41C or 41C½, which provide a higher benefit, but have stricter eligibility requirements. Clause 17 is the basic exemption for the three categories of taxpayers. Over the years, as asset values rose, the Legislature enacted alternative exemptions (Clauses 17C, 17C½ and 17D), and options within those exemptions, that cities and towns may adopt.

Clause 17 applies unless the legislative body of your city or town has voted, subject to local charter, to accept another clause. The most recently accepted clause establishes the eligibility rules in your city or town.

EXEMPTION AMOUNT	$175 The amount may be increased annually up to the percentage increase in the Consumer Price Index (CPI), as determined by the DOR each year. This increase applies only if the legislative body of your city or town has voted, subject to local charter, to accept this local option.

APPLICATIONS	You must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. ***Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.*** Filing an application does not entitle you to delay your tax payment.
DOCUMENTATION	You must provide the assessors with whatever information is reasonably required to establish eligibility. This information may include, but is not limited to: 1. Birth certificates. 2. Evidence of ownership, domicile and occupancy. 3. Bank and other asset account statements.
NUMBER OF EXEMPTIONS	With limited exceptions, you may only receive one exemption under M.G.L. c. 59, § 5 for each fiscal year. If you qualify for more than one, you will receive the one that provides the greatest benefit. You may receive an exemption and if qualified, defer all or a part of the balance of the reduced tax.
ELIGIBILITY REQUIREMENTS	You must satisfy tests relating to age or status, domicile, ownership and assets. **You must meet all eligibility requirements as of July 1 of the tax year.** (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*) **If you do not meet all requirements as of July 1, you cannot receive all or any portion of the exemption for that tax year.**
AGE AND STATUS	You must be 70 or older to be a senior. You must be younger than 18 to be a minor child. You must have been married to the decedent at the time of his or her death, **and** have never remarried, to be a surviving spouse.
OWNERSHIP AND DOMICILE	You must own and occupy the property as your domicile. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile. If you are a senior, you must also have owned and occupied the property for any 10 years (Clauses 17, 17C or 17C½) or any 5 years (Clause 17D). 1. Your ownership interest must be worth at least $2,000. You may own this interest solely, as a joint owner or as a tenant in common. 2. If you hold a life estate in the domicile, you are the owner. 3. If your domicile is held in a trust, you are the owner only if: a. You are a trustee or co-trustee of that trust, **and** b. You have a sufficient beneficial interest in the domicile.

ASSET LIMITS	Your assets (whole estate) on July 1 cannot exceed a specified limit. Each clause has a different limit. **Whole estate means all assets to which you have legal title and access as sole, joint owner or trustee that contribute to your total worth.** The value of your cemetery plots, wearing apparel and household furniture and effects located in your domicile is not included in the calculation of your whole estate. In addition, depending on the clause, some of the value of your domicile and the unpaid mortgage balance is not included, but the part of your domicile over a certain number of units may be included. Your allowable whole estate can range from $20,000 (Clause 17) to $40,000 (Clauses 17C, 17C½ and 17D). It may increase annually by the percentage increase in the CPI determined by the DOR each year. This increase applies only if the legislative body of your city or town has voted, subject to local charter, to accept this local option.
EXEMPTION CREDIT	If the assessors decide you are eligible and grant an exemption, the amount granted is credited toward and reduces the tax outstanding on your domicile for the fiscal year. **You will not receive a refund unless you have already paid the entire year's tax, as reduced by the exemption, at the time the exemption is granted and applied.**
SALE OF DOMICILE	If you are selling your domicile, you should make your attorney aware that you receive a property tax exemption that reduces the tax owed for the fiscal year. The sale is a private financial transaction and as a party, **you are responsible for seeing that the exemption is properly credited at the closing, through escrow or other arrangements, when the parties make adjustments for local property taxes or charges**. Your city or town is not responsible for seeing that you and the buyer allocate the property taxes so you get the benefit of the exemption.

APPEALS	
Appellate Tax Board	The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors' decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court. You can obtain the ATB's guide to the property tax appeal process from its website (www.mass.gov/atb) or by calling 617-727-3100.

Appeal of Action of Assessors	You have three months from the date of the assessors' decision on your exemption application to appeal to the ATB. **This includes decisions to deny any exemption or to grant an exemption that provides a lesser benefit.** If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over $5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal. The assessors may grant the exemption or higher exemption in final settlement of your application during the three month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a settlement is not reached and an exemption not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.

ASSESSMENT AND EXEMPTION CALENDAR	
January 1	Property Tax Assessment Date for Next Fiscal Year
July 1	Fiscal Year Begins Real Estate Exemption Eligibility Date for Fiscal Year
October - December	Actual Tax Bills Mailed for Fiscal Year
November 1 (Semi-annual Payment Communities) **February 1 (Quarterly Payment Communities)**	1st Actual Tax Installment Payment Due [1]
April 1, or 3 Calendar Months from Mailing of Actual Tax Bill if later	Personal Exemption Applications to Assessors Due [2]

[1] Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

[2] Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the exemption.

3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)	Assessors Grant or Deny Exemption Application Deemed Denied if Assessors Have Not Acted
3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application	Appeal to ATB Due

Veterans

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MA DEPARTMENT OF REVENUE

Michael J. Heffernan
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Senior Deputy Commissioner

TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX EXEMPTIONS

VETERANS

Clauses 22, 22A, 22B, 22C, 22D, 22E, 22F

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax exemptions for veterans. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors**. The DOR cannot determine your eligibility or give you legal advice. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished).

INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges the taxpayer from the legal obligation to pay all or a portion of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c. 59, § 5).

Clauses 22, 22A, 22B, 22C, 22D, 22E and 22F provide exemptions to some veterans, their spouses who own the domicile and their surviving spouses, and some surviving parents and spouses of active duty military personnel who died during or due to military service.

APPLICATIONS	You must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. ***Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.*** Filing an application does not entitle you to delay your tax payment.
DOCUMENTATION	You must provide the assessors with whatever information is reasonably required to establish eligibility. This information may include, but is not limited to: 1. Evidence of residency, ownership, domicile and occupancy. 2. Certification of a service-connected disability or death from the U.S. Department of Veterans Affairs (VA) or branch of U.S. military service from which discharged or in which served.

NUMBER OF EXEMPTIONS	With limited exceptions, you may only receive one exemption under M.G.L. c. 59, § 5 for each fiscal year. If you qualify for more than one, you will receive the one that provides the greatest benefit. You may receive an exemption and if qualified, defer all or a part of the balance of the reduced tax.
VETERAN	Veterans are individuals who served on active duty in the Armed Forces of the United States for certain time periods during peace or wartime eras and were discharged from military service. Their last discharge or release must have been under other than dishonorable conditions.
ELIGIBILITY REQUIREMENTS	You must satisfy tests relating to residency, domicile, ownership and service-connected disability or awards. **You must meet <u>all</u> eligibility requirements as of July 1 of the tax year.** (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*) **If you do not meet all requirements as of July 1, you <u>cannot</u> receive all or any portion of the exemption for that tax year.**
RESIDENCY	Veterans must have (1) been domiciled in Massachusetts for at least 6 consecutive months before entering military service, <u>or</u> (2) lived in Massachusetts for at least 5 consecutive years before the tax year begins (or at least 1 consecutive year before the tax year begins, if the legislative body of your city or town has voted, subject to local charter, to accept this local option).
DOMICILE	You must occupy the property as your domicile. If you are a spouse of a veteran, you and the veteran must occupy the property as your domicile. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile.
OWNERSHIP	You must own the property. 1. Your ownership interest must be worth at least an amount ranging from $2,000 to $10,000, depending on the exemption. You may own this interest solely, as a joint owner or as a tenant in common. 2. If you hold a life estate in the domicile, you are the owner. 3. If your domicile is held in a trust, you are the owner only if: a. You are a trustee or co-trustee of that trust, **and** b. You have a sufficient beneficial interest in the domicile.

EXEMPTION CREDIT	If the assessors decide you are eligible and grant an exemption, the amount granted is credited toward and reduces the tax assessed on your domicile for that fiscal year. **You will only receive a refund if the entire tax for the year has already been paid at the time the exemption is granted.**
SALE OF DOMICILE	If you are selling your domicile, you should make your attorney aware that you receive a property tax exemption that reduces the tax owed for the fiscal year. The sale is a private financial transaction and as a party, **you are responsible for seeing that the exemption is properly credited at the closing, through escrow or other arrangements, when the parties make adjustments for local property taxes or charges**. Your city or town is not responsible for seeing that you and the buyer allocate the property taxes so you get the benefit of the exemption.
WHO IS ELIGIBLE AND EXEMPTION AMOUNTS	
Clause 22 - $400	1. Veterans with a service-connected disability of 10% or more. 2. Veterans awarded the Purple Heart. 3. Surviving parents of military personnel who died in military service (Gold Star Parents). 4. Spouses (where the domicile is owned by the veteran's spouse), and surviving spouses (who have never remarried), of veterans entitled to exemption under Clause 22. 5. Surviving spouses (who have never remarried) of World War I veterans as long as their assets (whole worth), less any mortgage on the property, do not exceed $20,000.
Clause 22A - $750	1. Veterans who (1) suffered in the line of duty the loss or permanent loss of use of one foot or one hand or one eye, **or** (2) received the Congressional Medal of Honor, Distinguished Service Cross, Navy Cross or Air Force Cross. 2. Spouses (where veteran's spouse owns the domicile) or surviving spouses of veterans entitled to exemption under Clause 22A.
Clause 22B - $1,250	1. Veterans who suffered in the line of duty the loss or permanent loss of use of both feet, both hands or both eyes. 2. Spouses (where veteran's spouse owns the domicile) or surviving spouses of veterans entitled to exemption under Clause 22B.
Clause 22C - $1,500	1. Veterans who suffered total disability in the line of duty **and** received assistance in acquiring "specially adapted housing" which they own and occupy as their domicile. 2. Spouses (where veteran's spouse owns the domicile) or surviving spouses of veterans entitled to exemption under Clause 22C.

Clause 22D – Full	Surviving spouses (who have never remarried) of (1) military personnel (including members of the National Guard on active duty) who went missing in action during active duty and are presumed to have died, or (2) military personnel (including members of the National Guard on active duty) or veterans who died as a proximate result of an injuries sustained or illnesses contracted during active duty service. A surviving spouse must have lived in Massachusetts for at least 5 consecutive years before the tax year begins (or lived in Massachusetts for at least 1 consecutive year before the tax year begins, if the legislative body of your city or town has voted to accept this local option). If not, the deceased military or guard member or veteran had to have been domiciled in Massachusetts for at least 6 consecutive months before entering the service.
Clause 22E - $1,000	1. Veterans who have a service connected disability of 100%. 2. Spouses (where veteran's spouse owns the domicile) or surviving spouses of veterans entitled to exemption under Clause 22E.
Clause 22F – Full	1. Veterans who are paraplegics, or have a 100% disability for service-connected blindness. 2. Spouses (where veteran's spouse owns the domicile) or surviving spouses of veterans entitled to exemption under Clause 22F.
Clause 22A, 22B, 22C, 22E and 22F exemptions are prorated for a domicile greater than a single-family house. The exemption is the same percentage of the tax as the part of the house occupied by the veteran, or if deceased, the surviving spouse, for example, 50% if one unit of a two-family house is occupied by the veteran or surviving spouse.	

APPEALS	
Appellate Tax Board	The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors' decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court. You can obtain the ATB's guide to the property tax appeal process from its website (www.mass.gov/atb) or by calling 617-727-3100.

Appeal of Action of Assessors	You have three months from the date of the assessors' decision on your exemption application to appeal to the ATB. **This includes decisions to deny any exemption or to grant an exemption that provides a lesser benefit.** If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over $5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal. The assessors may grant the exemption or higher exemption in final settlement of your application during the three month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a settlement is not reached and an exemption not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.

ASSESSMENT AND EXEMPTION CALENDAR	
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November 1 (Semi-annual Payment Communities) **February 1 (Quarterly Payment Communities)**	1st Actual Tax Installment Payment Due [1]
April 1, or 3 Calendar Months from Mailing of Actual Tax Bill if later	Personal Exemption Applications to Assessors Due [2]
3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)	Assessors Grant or Deny Exemption Application Deemed Denied if Assessors Have Not Acted
3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application	Appeal to ATB Due

[1] Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

[2] Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the exemption.

Local Property Tax Exemptions for Veterans Rev. 7/2017

For more information, please contact your local assessors.

Blind

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Michael J. Heffernan
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX EXEMPTIONS

LEGALLY BLIND PERSONS
Clauses 37, 37A

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax exemptions for the legally blind. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors**. The DOR cannot determine your eligibility or give you legal advice. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished).

INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges the taxpayer from the legal obligation to pay all or a part of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c. 59, § 5).

Clauses 37 and 37A provide exemptions for legally blind persons who meet specific occupancy and ownership requirements. Clause 37 applies unless the legislative body of your city or town has voted, subject to local charter, to accept Clause 37A.

The eligibility requirements are the same for both clauses, but Clause 37A provides a higher exemption benefit.

EXEMPTION AMOUNT	Clause 37 $437.50 Clause 37A $500.00
APPLICATIONS	You must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. ***Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.*** Filing an application does not entitle you to delay your tax payment.

DOCUMENTATION	You must provide the assessors with whatever information is reasonably required to establish eligibility. This information may include, but is not limited to: 1. Evidence of domicile and ownership. 2. Proof of legal blindness.
NUMBER OF EXEMPTIONS	With limited exceptions, you may only receive one exemption under M.G.L. c. 59, § 5 for each fiscal year. If you qualify for more than one, you will receive the one that provides the greatest benefit. You may receive an exemption and if qualified, defer all or a part of the balance of the reduced tax.
ELIGIBILITY REQUIREMENTS	You must satisfy tests relating to domicile, ownership and legal blindness. **You must meet <u>all</u> eligibility requirements as of July 1 of the tax year.** (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*) **If you do not meet all requirements as July 1, you <u>cannot</u> receive all or any portion of the exemption for that tax year.**
DOMICILE	You must occupy the property as your domicile. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile.
OWNERSHIP	You must own the property. 1. Your ownership interest must be worth at least $5,000. You may own this interest solely, as a joint owner or as a tenant in common. 2. If you hold a life estate in the domicile, you are the owner. 3. If your domicile is held in a trust, you are the owner only if: a. You are a trustee or co-trustee of that trust, **and** b. You have a sufficient beneficial interest in the domicile.
LEGAL BLINDNESS	You must submit a current "Certificate of Legal Blindness" from the Massachusetts Commission for the Blind with each year's application. In the first year you apply for an exemption, you may substitute a statement from a doctor certifying you are legally blind according to the Commission's specifications.
EXEMPTION CREDIT	If the assessors decide you are eligible and grant an exemption, the amount granted is credited toward and reduces the tax assessed on your domicile for that fiscal year. **You will only receive a refund if the entire tax for the year has already been paid at the time the exemption is granted.**

SALE OF DOMICILE	If you are selling your domicile, you should make your attorney aware that you receive a property tax exemption that reduces the tax owed for the fiscal year. The sale is a private financial transaction and as a party, **you are responsible for seeing that the exemption is properly credited at the closing, through escrow or other arrangements, when the parties make adjustments for local property taxes or charges**. Your city or town is not responsible for seeing that you and the buyer allocate the property taxes so you get the benefit of the exemption.

APPEALS	
Appellate Tax Board	The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors' decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court. You can obtain the ATB's guide to the property tax appeal process from its website (www.mass.gov/atb) or by calling 617-727-3100.
Appeal of Action of Assessors	You have three months from the date of the assessors' decision on your exemption application to appeal to the ATB. **This includes decisions to deny any exemption or to grant an exemption that provides a lesser benefit.** If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over $5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal. The assessors may grant the exemption or higher exemption in final settlement of your application during the three month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a settlement is not reached and an exemption not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.

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November 1 (Semi-annual Payment Communities) **February 1 (Quarterly Payment Communities)**	1st Actual Tax Installment Payment Due [1]
April 1, or 3 Calendar Months from Mailing of Actual Tax Bill if later	Personal Exemption Applications to Assessors Due [2]
3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)	Assessors Grant or Deny Exemption Application Deemed Denied if Assessors Have Not Acted
3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application	Appeal to ATB Due

[1] Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

[2] Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the exemption.

Deferrals

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MA DEPARTMENT OF REVENUE

Michael J. Heffernan
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX DEFERRALS

SENIORS
Clause 41A

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax deferrals for seniors. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors**. The DOR cannot determine your eligibility or give you legal advice. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for a deferral. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished).

INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges the taxpayer from the legal obligation to pay all or a part of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c. 59, § 5).

Under Clause 41A, seniors may also be able to **delay payment** of their property taxes. A property tax deferral does not discharge the tax obligation like an exemption. Instead, it defers payment until the senior sells the property or passes away. A deferral allows seniors to use resources that would go to pay taxes to defray living expenses instead. Taxpayers who qualify for personal exemptions under other clauses in M.G.L. c. 59, § 5 (for example, for seniors, disabled veterans, blind persons or surviving spouses) may defer all or part of the balance of their reduced taxes.

If you qualify, you must enter into a written tax deferral and recovery agreement with the local assessors. The assessors will record a statement at the Registry of Deeds to continue the lien that exists on your property by law to secure payment of the deferred taxes. Joint owners, remaindermen and mortgagees must give prior written approval.

APPLICATIONS	You must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. ***Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.*** Filing an application does not entitle you to delay your tax payment.

DOCUMENTATION	You must provide the assessors with whatever information is reasonably required to establish eligibility. This information may include, but is not limited to: 1. Birth certificates. 2. Evidence of ownership, domicile and occupancy. 3. Income tax returns.
ELIGIBILITY REQUIREMENTS	You must satisfy tests relating to age, domicile, ownership, occupancy and annual income. **You must meet <u>all</u> eligibility requirements as of July 1 of the tax year.** (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*) **If you do not meet all requirements as of July 1, you <u>cannot</u> defer all or any portion of your taxes for that tax year.**
AGE	You must be 65 or older.
DOMICILE	You must have had a domicile in Massachusetts for at least 10 consecutive years before the tax year begins. You must also be domiciled in the property. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile.
OWNERSHIP AND OCCUPANCY	You must have owned and occupied the property, or other real property in Massachusetts, as a domicile for at least 5 years. The years do not have to be consecutive or at the same location. 1. You may own the property solely, as a joint owner or as a tenant in common. 2. If you hold a life estate in the domicile, you are the owner. 3. If your domicile is held in a trust, you are the owner only if: a. You are a trustee or co-trustee of that trust, **and** b. You have a sufficient beneficial interest in the domicile.
INCOME LIMITS	Your income (gross receipts) for the previous calendar year cannot exceed $20,000. If you are married, the combined gross receipts of you and your spouse cannot exceed $20,000. The gross receipts limit may be increased up to the income limit allowed for the "circuit breaker" state income tax credit for single non-head of household filers, by vote of the legislative body of your city or town. **Gross receipts means income from <u>all</u> sources and is broader than taxable income for federal or state income tax purposes**. Ordinary business expenses and losses are deducted but not personal or family expenses.

DEFERRAL AMOUNT	You may defer payment of all or a part of the taxes owed each year so long as (1) you continue to qualify, and (2) the cumulative deferred taxes and accrued interest are not more than 50% of your proportional ownership share of the fair cash value of the property. For example, if you are a joint owner with one other person, the total amount deferred cannot be more than 25% of the property's value. If you own the property with someone who is not your spouse, the amount you may defer annually is also limited to your proportional ownership share of the year's tax. Interest on deferred taxes accrues at 8%, or a lower rate voted by the legislative body of your city or town before July 1 of the tax year.
SURVIVING SPOUSE	Your surviving spouse who qualifies may continue to defer taxes but must enter into a new deferral and recovery agreement. Surviving spouses who inherit a property must have occupied it, or other real property in Massachusetts, as a domicile for at least 5 years. Any additional taxes plus interest deferred by your surviving spouse, plus the amounts previously deferred and unpaid, cannot be more than 50% of the spouse's proportional ownership share of the fair cash value of the property.
PAYMENT	The payment of deferred taxes and accrued interest **is due when the property is sold or you pass away**, unless your surviving spouse continues to defer. As of that date, the interest rate goes up to 16%. If 6 months later, the deferred amount has not been paid, the treasurer may petition the Land Court to foreclose the lien on the property.

APPEALS	
Appellate Tax Board	The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors' decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court. You can obtain the ATB's guide to the property tax appeal process from its website (www.mass.gov/atb) or by calling 617-727-3100.

Appeal of Action of Assessors	You have three months from the date of the assessors' decision on your deferral application to appeal to the ATB. **This includes decisions to deny a deferral or to grant a deferral of a lesser benefit.** If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over $5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal. The assessors may grant the deferral or higher deferral in final settlement of your application during the three month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a settlement is not reached and a deferral not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.

ASSESSMENT AND DEFERRAL CALENDAR	
January 1	Property Tax Assessment and Lien Date for Next Fiscal Year
July 1	Fiscal Year Begins Real Estate Deferral Eligibility Date for Fiscal Year
October - December	Actual Tax Bills Mailed for Fiscal Year
November 1 (Semi-annual Payment Communities) **February 1 (Quarterly Payment Communities)**	1st Actual Tax Installment Payment Due [1]
April 1, or 3 Calendar Months from Mailing of Actual Tax Bill if later	Deferral Applications to Assessors Due [2]

[1] Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

[2] Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the deferral.

3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)	Assessors Grant or Deny Deferral Application Deemed Denied if Assessors Have Not Acted
3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application	Appeal to ATB Due

Senior Exemptions

DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Michael J. Heffernan
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX EXEMPTIONS

SENIORS

Clauses 41, 41B, 41C, 41C½

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax exemptions for seniors. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors**. The DOR cannot determine your eligibility or give you legal advice. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county's government has not been abolished).

INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges a taxpayer from the legal obligation to pay all or a part of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c. 59, § 5).

Clauses 41, 41B, 41C or 41C½ provide exemptions to seniors who meet specific ownership, residency, income and asset requirements. Seniors 70 or older may, alternatively, qualify for exemption under Clauses 17, 17C, 17C½ or 17D, which provide a reduced benefit, but have less strict eligibility requirements. Clause 41 is the basic exemption for seniors. Over the years, as income and asset values rose, the Legislature enacted alternative exemptions (Clauses 41B, 41C and 41C½), and options within those exemptions, that cities and towns may adopt.

Clause 41 applies unless the legislative body of your city or town has voted, subject to local charter, to accept another clause. The most recently accepted clause establishes eligibility rules in your city or town.

EXEMPTION AMOUNT	Clauses 41, 41B, 41C — $500 Clause 41C½ — 5% of the average assessed valuation of residential property in your city or town. The Clause 41C exemption may be increased up to $1,000, by vote of the legislative body of your city or town. The Clause 41C½ exemption may be increased up to 20% of the average assessed valuation of residential property in your city or town, by vote of the legislative body of your city or town.

APPLICATIONS	You must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. ***Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.*** Filing an application does not entitle you to delay your tax payment.
DOCUMENTATION	You must provide the assessors with whatever information is reasonably required to establish your eligibility. This information may include, but is not limited to: 1. Birth certificates. 2. Evidence of ownership, domicile and occupancy. 3. Income tax returns, bank and other asset account statements.
NUMBER OF EXEMPTIONS	With limited exceptions, you may only receive one exemption under M.G.L. c. 59, § 5 for each fiscal year. If you qualify for more than one, you will receive the one that provides the greatest benefit. You may receive an exemption and if qualified, defer all or a part of the balance of the reduced tax.
ELIGIBILITY REQUIREMENTS	You must satisfy tests relating to age, domicile, ownership, occupancy, annual income and assets. **You must meet all eligibility requirements as of July 1 of the tax year.** (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*) **If you do not meet all requirements as of July 1, you cannot receive all or any portion of the exemption for that tax year.** If you own the property with someone who is not your spouse, for example, your children, siblings or other relatives, then each of the other co-owners must also satisfy the annual income and asset tests.
AGE	You must be 70 or older. For Clauses 41C and 41C½, the eligible age may be reduced to 65 or older, by vote of the legislative body of your city or town.

OWNERSHIP AND DOMICILE	You must own and occupy the property as your domicile. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile. For Clauses 41B, 41C and 41C½, you must also have had a domicile in Massachusetts for 10 consecutive years before the tax year begins, and have owned and occupied the property, or any other property in Massachusetts, for any 5 years. The 10 year continuous domicile requirement for Clause 41C½ may be reduced to 5 years, by vote of the legislative body of your city or town. 1. Under Clauses 41, 41B and 41C, your ownership interest must be worth at least $4,000. You may own this interest solely, as a joint owner or as a tenant in common. If you own the property with someone who is not your spouse, your exemption will be equal to the same percentage of the exemption as your ownership interest in the property, for example, 50% if you are a joint owner with one other person. 2. If you hold a life estate in the domicile, you are the owner. 3. If your domicile is held in a trust, you are the owner only if: a. You are a trustee or co-trustee of that trust, **and** b. You have a sufficient beneficial interest in the domicile.
INCOME LIMITS	Your income (gross receipts) for the previous calendar year cannot exceed a specified limit. Each clause has a different limit. **Gross receipts means income from <u>all</u> sources and is broader than taxable income for federal or state income tax purposes**. Ordinary business expenses and losses are deducted but not personal or family expenses. If you received income from social security or certain public pensions systems in the prior calendar year, the assessors will deduct a "minimum social security" allowance, which is set by the DOR each year. If you are single, your allowable gross receipts can range from $6,000 (Clause 41) to the limit for the "circuit breaker" state income tax credit for single non-head of household filers (Clause 41C½). If you are married, the limit is based on the combined gross receipts of you and your spouse and ranges from $7,000 (Clause 41) to the limit for the "circuit breaker" state income tax credit for single non-head of household filers (Clause 41C½). For Clauses 41, 41B and 41C, the gross receipts limit may increase annually by the percentage increase in the Consumer Price Index (CPI) determined by the DOR each year. For Clause 41C½, the gross receipts limit may be applied to the combined income of you and your spouse or other household members. These adjustments apply only if the legislative body of your city or town has voted, subject to local charter, to accept the local option.

ASSET LIMITS	Your assets (whole estate) on July 1 cannot exceed a specified limit. Each clause has a different limit. **Whole estate means <u>all</u> assets to which you have legal title and access as sole, joint owner or trustee that contribute to your total worth.** The value of the applicant's cemetery plots, registered motor vehicles, wearing apparel and household furniture and effects located in the domicile is not included in the calculation of the applicant's whole estate. In addition, the value of the domicile is generally not included, but depending on the clause, portions generating income or over a certain number of units may be included. If you are single, your allowable whole estate can range from $17,000 (Clause 41) to $40,000 (Clause 41C). If you are married, the limit is based on the combined whole estates of you and your spouse and ranges from $20,000 (Clause 41) to $55,000 (Clause 41C). There is no asset limit under Clause 41C½. For Clauses 41, 41B and 41C, the whole estate limit may increase annually by the percentage increase in the CPI determined by the DOR each year. This increase applies only if the legislative body of your city or town has voted, subject to local charter, to accept this local option.
EXEMPTION CREDIT	If the assessors decide you are eligible and grant an exemption, the amount granted is credited toward and reduces the tax outstanding on your domicile for the fiscal year. **You will not receive a refund unless you have already paid the entire year's tax, as reduced by the exemption, at the time the exemption is granted.**
SALE OF DOMICILE	If you are selling your domicile, you should make your attorney aware that you receive a property tax exemption that reduces the tax owed for the fiscal year. The sale is a private financial transaction and as a party, **you are responsible for seeing that the exemption is properly credited at the closing, through escrow or other arrangements, when the parties make adjustments for local property taxes or charges**. Your city or town is not responsible for seeing that you and the buyer allocate the property taxes so you get the benefit of the exemption.

APPEALS	
Appellate Tax Board	The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors' decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court. You can obtain the ATB's guide to the property tax appeal process from its website (www.mass.gov/atb) or by calling 617-727-3100.
Appeal of Action of Assessors	You have three months from the date of the assessors' decision on your exemption application to appeal to the ATB. **This includes decisions to deny any exemption or to grant an exemption that provides a lesser benefit.** If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over $5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal. The assessors may grant the exemption or higher exemption in final settlement of your application during the three month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a settlement is not reached and an exemption not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.

ASSESSMENT AND EXEMPTION CALENDAR	
January 1	Property Tax Assessment Date for Next Fiscal Year
July 1	Fiscal Year Begins Real Estate Exemption Eligibility Date for Fiscal Year
October - December	Actual Tax Bills Mailed for Fiscal Year
November 1 (Semi-annual Payment Communities) **February 1 (Quarterly Payment Communities)**	1st Actual Tax Installment Payment Due [1]

[1] Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

April 1, or 3 Calendar Months from Mailing of Actual Tax Bill if later	Personal Exemption Applications to Assessors Due [2]
3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)	Assessors Grant or Deny Exemption Application Deemed Denied if Assessors Have Not Acted
3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application	Appeal to ATB Due

[2] Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the exemption.

Senior Exemptions
41C ½

Informational Guideline Release (IGR) No. 17-12
April 2017

Supersedes IGR 15-209 and Inconsistent Prior Written Statements

CLAUSE 41C½ PROPERTY TAX EXEMPTION FOR SENIORS

(G.L. c. 59, § 5(41C½))

SUMMARY:

These guidelines update the standards and procedures that apply to local option G.L. c. 59, § 5, Clause 41C½, which if accepted, replaces the property tax exemption for the domiciles of seniors 70 or older used by the city or town under G.L. c. 59, § 5, Clause 41, 41B or 41C.

Unlike other local option property tax exemptions, Clause 41C½ is accepted at a regularly scheduled municipal election and is five percent of the average assessed value of residential parcels in the city or town, rather than a fixed dollar amount. As with the Clause 41B and 41C exemptions, taxpayers must be domiciled in Massachusetts for 10 consecutive years and have owned a domicile here for any five years. However, there is no asset (whole estate) limit and the income (gross receipts) limit is tied to the income limit single persons who are not heads of households must meet in order to be eligible for the "circuit breaker" state income tax credit limit under G.L. c. 62, § 6(k).

The guidelines have been updated for a change in the deadline for taxpayers to apply for all personal exemptions, including Clause 41C½, that was made by the 2016 Municipal Modernization Act. St. 2016, c. 218, §§ 146 and 247. Effective beginning in fiscal year 2017, the deadline for taxpayers to apply for the exemption is April 1, or three months after the tax bills are mailed, whichever is later. See Section B-1.

These guidelines supersede Informational Guideline Release (IGR) No. 15-209, *Clause 41C½ Property Tax Exemption for Seniors* (March 2015), and any inconsistent prior written statements.

GUIDELINES:

A. LOCAL ACCEPTANCE

1. Acceptance Procedure

Acceptance of Clause 41C½ requires approval of the electorate at a regularly scheduled municipal election. The acceptance question may be placed on the ballot by vote of the selectboard, town council or city council subject to local charter.

The city or town clerk must receive written notice of the vote at least 35 days before the scheduled election. G.L. c. 54, §§ 42C and 58A.

2. Question Form

The question presented to the voters must read as follows:

> Shall Section 41 of Chapter 139 of the Acts of 2006 granting real estate property tax exemptions to qualifying seniors be accepted?

3. Question Summary

A fair and concise summary of the Clause 41C½ exemption and its purpose must appear underneath the question. G.L. c. 54, § 58A. The summary is to be prepared by the community's city solicitor or town counsel and should include the fiscal year the exemption will take effect if accepted. See Section A-5 below.

4. Question Approval

The statute accepted if a majority of the voters voting on the ballot question vote "yes."

5. Effective Date

The exemption will apply in the fiscal year that begins the July 1 after the election, unless another fiscal year is specified in the vote by the selectboard, town council or city council and the election is held before the tax rate for that fiscal year is set.

6. Revocation of Acceptance

Acceptance may be revoked, but the city or town must wait until at least three years after the question passes to do so. Revocation is also voted at a regularly scheduled municipal election. G.L. c. 4, § 4B.

To revoke acceptance, the selectboard, town council or city council subject to local charter may vote to present the following question to the voters:

> Shall acceptance by _________ (city/town) of Clause 41C½ of Section 5 of Chapter 59 of the General Laws be revoked?

The statute is revoked if a majority of the voters voting on the question vote "yes."

The revocation will apply in the fiscal year that begins the July 1 after the election, unless another fiscal year is specified in the vote by the selectboard, town council or city council and the election is held before the tax rate for that fiscal year is set.

7. Notification of Acceptance or Revocation

The city or town clerk must notify the Municipal Databank/Local Aid Unit if the statute is accepted or revoked. (See "Notification of Acceptance or Revocation"). The notification should be made as soon as possible after the election.

B. APPLICATION PROCEDURE

1. Application Deadline

A taxpayer must file an application on an approved form with the board of assessors for each fiscal year for which a Clause 41C½ exemption is sought (State Tax Form 96, State Tax Form 96-1 or State Tax Form 96-6). **Each year's application is due on or before April 1, or three months after the actual tax bills are mailed, whichever is later**. G.L. c. 59, § 59. Assessors may not waive the filing deadline, nor act on a late-filed application.

2. Appeals

An applicant aggrieved by the assessors' action on an application for an exemption may appeal to the state Appellate Tax Board, or the county commissioners if they live in a county where county government has not been abolished. The appeal must be filed within three months of the date the exemption was denied, or deemed denied if the assessors did not act. G.L. c. 59, §§ 64 and 65.

C. EXEMPTION QUALIFICATIONS

1. Eligibility Date

As with other personal exemptions, Clause 41C½ exemption status is determined as of July 1. G.L. c. 59, § 5. Any eligibility requirements for the exemption must be met as of that date.

2. Age

The applicant must be at least 70 years old on July 1.

3. Ownership

An applicant must be a natural person who owns the property on July 1 and has owned that property or another property in Massachusetts as a domicile for five years. The five years do not have to be consecutive. Ownership of any domicile in Massachusetts for a total of any five years is sufficient.

The applicant may be the sole owner or may own the property jointly with a spouse or other natural persons. The property may not be owned in whole or in part by a business, governmental or non-profit entity. If the applicant has co-owners, only the applicant must meet the five-year durational ownership requirement.

As with other personal exemptions, an applicant who holds a life estate in the property is considered its owner. If the property is held in trust, the applicant must be a trustee who also has a sufficient beneficial interest in the property.

4. Domicile

The applicant must occupy the property as his or her domicile on July 1 and must have been domiciled in Massachusetts for the preceding 10 years. The 10 years must be consecutive, but the taxpayer need not have lived all of those years in the same location in Massachusetts.

If the applicant has co-owners, only the applicant must meet the current and 10 year durational domiciliary requirements.

5. Gross Receipts

a. Gross Receipts Definition

Gross receipts means income from all sources and is broader than taxable income for federal or state income tax purposes. It includes wages, salaries, bonuses, commissions, public and private pensions, social security, alimony, child support, lottery winnings, interest and dividend income, capital gains, life insurance proceeds, net income from business or rental property after deduction of related business expenses and losses, public assistance, disability payments, unemployment compensation, workman's compensation, regular cash or financial contributions or gifts from family or others outside the household, and any other income.

b. Applicable Income Limit

The gross receipts of the applicant for the prior calendar year cannot exceed the income limit established for a single person who is not the head of a household to qualify for the "circuit breaker" state income tax credit for that year. The limit is adjusted annually by the Commissioner of Revenue for increases in the cost of living and is announced in a Technical Information Release (TIR) issued before the state tax filing season begins.

EXAMPLE

A single person who is not the head of a household must have income of $57,000 or less during state tax year 2016 to qualify for the "circuit breaker" income tax credit for that year. Therefore, the gross receipts of the applicant cannot be over $57,000 during 2016 in order to qualify for a Clause 41C½ exemption in fiscal year 2018, which begins on July 1, 2017.

c. Deductions

There are **no** allowable deductions when computing an applicant's gross receipts. As with other senior exemptions, personal or family expenses may not be deducted. In addition, the social security deduction from gross receipts that applies to other senior exemptions does **not** apply to Clause 41C½.

d. **Co-owners or Others**

The gross receipts of co-owners, spouses or other household members are **not** included or considered in determining whether the applicant qualifies for the exemption, unless the city or town adopts an allowable adjustment in the gross receipts limits. See Section F-1-d below.

D. EXEMPTION AMOUNT

The exemption amount is five percent of the average assessed value of residential parcels in the city or town. Average assessed value is determined by dividing the total valuation of all Class 1, Residential property by the total number of Class 1 parcels.

EXAMPLE

The total assessed valuation of Class 1, Residential property for the year is $1,000,000,000. The total number of Class 1, Residential parcels is 1,000. The average assessed valuation of residential property for the year is $1,000,000. The valuation exemption amount is $50,000. If the community has a tax rate of $10, the exemption for the year is $500.

E. OPTIONAL ADDITIONAL EXEMPTIONS

Recipients of a Clause 41C½ exemption may receive any optional additional exemption the city or town votes for personal exemptions under G.L. 59, § 5C½. See IGR No. 15-210, *Optional Additional Real Estate Exemption*.

F. ADJUSTMENTS IN EXEMPTION AMOUNT OR ELIGIBILITY FACTORS

1. Allowable Adjustments

The community may make any or all of the adjustments explained in this section.

a. **Minimum Age**

The eligibility age may be reduced from 70 to 65. If this adjustment is voted, any applicant who has reached the age of 65 as of the applicable July 1 qualification date would be eligible for a Clause 41C½ exemption.

b. **Exemption Amount**

The amount of the exemption granted to eligible applicants may be increased to up to 20 percent of the average assessed valuation of residential properties.

c. **Durational Residency**

The number of consecutive years the applicant must have been domiciled in Massachusetts may be reduced from 10 to five years.

d. **Gross Receipts Income Limit**

The gross receipts limit may be adjusted to apply to the combined income of the applicant and members of the applicant's household rather than just the applicant's income. If this adjustment is voted, the combined gross receipts of the applicant and all other household members, whether or not the members are co-owners of the domicile, for the prior calendar year cannot exceed the following income limits established to qualify for the "circuit breaker" state income tax credit for that year:

(1) The limit for a single person not the head of a household if the household contains the applicant.
(2) The limit for a married couple if the household contains the applicant and applicant's spouse.
(3) The limit for a head of a household if the household contains the applicant and a person other than the applicant's spouse.

EXAMPLE

The applicant and the applicant's spouse live in the applicant's domicile. A married couple must have income of $86,000 or less during state tax year 2016 to qualify for the "circuit breaker" income tax credit for that year. Therefore, in order for the applicant to qualify for a Clause 41C½ exemption in fiscal year 2018, which begins on July 1, 2017, the combined gross receipts of the married couple during 2016 cannot be over $86,000.

The applicant and the applicant's sister live in the applicant's domicile. A head of a household must have income of $71,000 or less during state tax year 2016 to qualify for the "circuit breaker" income tax credit for that year. Therefore, in order for the applicant to qualify for a Clause 41C½ exemption in fiscal year 2018, which begins on July 1, 2017, the combined gross receipts of the applicant and her sister during calendar 2016 cannot be over $71,000.

2. Adjustments Procedure

a. **Adjustments**

An adjustment to an eligibility factor or the exemption amount is made by vote of the legislative body subject to local charter, *i.e.*, town meeting, town/city council with the approval of the mayor if required by charter. (See attached "Sample Votes for Clause 41C½ Exemption Options").

b. Effective Date

The vote should explicitly state the fiscal year in which the adjusted eligibility factor or exemption amount will first apply and must take place before the tax rate is set for that year.

c. Revision

The adjusted eligibility factor or exemption amount established in this manner will apply unless a new vote is taken establishing a different factor or amount.

3. Notification of Adjustment

The city or town clerk must notify the Municipal Databank/Local Aid Unit if an adjustment to an eligibility factor is voted. (See "Clause 41C ½ Options" form). The notification should be made as soon as possible after the vote.

G. ACCOUNTING

All exemptions granted are charged to the overlay. Assessors in communities that vote to accept Clause 41C½ or use any of its optional adjustments are advised to review the adequacy of their overlay accounts before setting the tax rate. See IGR 16-104, *Overlay and Overlay Surplus*.

H. STATE REIMBURSEMENT

Subject to appropriation, cities and towns that accept Clause 41C½ will be reimbursed at the rate of the actual exemption amount or $500, whichever is less, for each exemption granted, but the number of exemptions reimbursed cannot exceed the number of exemptions granted the last year Clause 41 was used. Therefore, any community that accepts Clause 41C½ will be reimbursed for any additional exemptions granted only to the extent that the total number of exemptions granted does not exceed that Clause 41 cap. The community will not receive any additional state reimbursement if acceptance of Clause 41C½ or use of any optional adjustments results in exemption amounts over $500, or the number of exemptions granted exceeds the Clause 41 cap.

SAMPLE VOTES FOR CLAUSE 41C½ EXEMPTION OPTIONS

ELIGIBILITY ADJUSTMENTS BY LEGISLATIVE BODY, SUBJECT TO CHARTER

ARTICLE.
To see if the city/town will vote to adjust (the exemption amount and eligibility factors) for the property tax exemption for senior citizens under Massachusetts General Laws Chapter 59, Section 5, Clause 41C½, to be effective for exemptions granted for any fiscal year beginning on or after July 1, _______, or take any other action relative thereto.

MOTION. I move that the city/town vote to adjust the (exemption amount and eligibility factors) for the property tax exemption for senior citizens under Massachusetts General Laws Chapter 59, Section 5, Clause 41C½, to be effective for exemptions granted for any fiscal year beginning on or after July 1, _______, as follows:

INSERT OPTIONS BEING CHOSEN, for example:

1. By reducing the age of eligibility to age 65 (from 70).
2. By increasing the exemption percentage to (may be any percentage up to 20) (from 5%).
3. By reducing the number of consecutive years an applicant must have been domiciled in Massachusetts before qualifying for exemption to 5 years (from 10 years).
4. By increasing the gross receipts limit to: (1) in a household containing the applicant and his or her spouse, the combined gross receipts of the couple using the total income limit for a married couple filing a joint return under the state circuit breaker income tax credit, and (2) in a household containing the applicant and a person other than the applicant's spouse, to the combined gross receipts of all household members using the total income limit for a head of a household under the state circuit breaker income tax credit.