

**A GUIDE TO
PROPERTY TAX HELP
FOR SOUTHBOROUGH
SENIOR CITIZENS**

**Everything you should know about property
tax exemptions**

This guide has been prepared for
Southborough Seniors by the
Southborough Council on Aging and the
Southborough Assessor Office

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Summary

- Tax relief may be available to you!
- Read this booklet to be aware of tax relief offered to seniors in Southborough
- If you are uncertain if you are eligible for any of the tax relief listed here, visit the Assessor's Office at the Town House or call that office at (508) 485-0720.
- If you are eligible for any of the exemptions in **Parts A** through **D**, submit an applicaton to the Assessor's Office before **March 31st**.
- If you are eligelbe for the state Circuit Breaker, **Part F**, file a Massachusetts income tax form before **April 15th**.
- If you wish to participate in the Work Off Program, **Part E**, appear at the Senior Center in Person on the announced day to apply.

Why this booklet?

The Southborough Council on Aging has prepared this booklet with the help of our Board of assessors to make our senior home owners aware of the Massachusetts laws that exist to provide tax relief to it's senior citizens. To take advantage of the tax savings a senior must meet certain guidelines that can differ with each separate law. Our goal was to explain these laws in language we all can understand. So you will find first a listing of all the applicable laws and then a description of each explaining the benefits of each and the requirements to qualify for each. Do not be shy about applying for a tax exemption. These tax laws were enacted to help seniors deal with the increasing property taxes.

If any questions arise that you cannot find an answer to in this booklet please call the Board of Assessors office at (508) 485-0720. You will find them anxious to clarify any tax exemptions.

We also want to acknowledge the assistance of the Sudbury Senior Center in writing this booklet. They printed a similar booklet a year ago to assist their seniors.

Available Tax Exemptions To Senior Residents of Southborough

Only **ONE** of the senior tax exemptions in part **A** below may be granted in a fiscal year to those meeting the requirements. If you are eligible study them carefully and choose the one that provides the maximum benefit to you.

Part A

Age 65 and over: \$1,000	Page 3
Age 70 and over: \$193	Page 3
Legally blind of any age: \$500	Page 4
Disabled veterans and spouses: \$250 minimum	Page 4

Part B

Community Preservation Fund Exemption	Page 5
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*May be used with or without one from **part A***

Part C

Hardship	Page 5
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Tax relief for those in financial difficulty.

Part D

Property Tax Deferral	Page 5
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Part E

Property Tax Work-Off Program	Page 6
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Earn \$750 off your property taxes by working for the town

Part F

State Income Tax "Circuit Breaker"	Page 7
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Receive up to \$810 off your state income tax even if your income has not required you to file a tax return.

Call the Senior Center at (508) 229-4453 for information on this program.

Senior "Circuit Breaker" Tax Credit

If your real estate property taxes are taking more than 10% of your gross income you may be eligible for up to an \$810 tax credit from the State. Eligibility criteria for 2005 is listed below:

- You must be 65 years of age or older;
- The assessed value of your residence cannot exceed \$600,000;
- Your total income cannot exceed \$44,000 for a single person, \$55,000 for head of household, and \$66,000 for a married couple filing jointly;
- The sum of your property taxes plus your water charges is greater than 10% of your gross income;
- There are no asset restrictions.

How it works:

As an example, if your gross income as a single person is \$35,000 for the tax year, then 10% of that figure would be \$3,500. If the sum of your tax bill plus your water billing for the year is higher than that, the State will reimburse you anything over the \$3,500 up to a maximum of \$810.

You must file a state income tax form even if your income does not require it.

The tax form for the 'Circuit Breaker' is **Schedule CB**.

Special Note:

The information in this booklet was correct as of the writing in November of 2005. There is pending legislation to revise some of the requirements this year. If they become law in 2005, the Senior Center will make every effort to print the changes in the January newsletter to seniors.

Important Dates to Remember

Applications for **Part A** through **Part D** exemptions require you complete and file an application with the Assessors Office between January 1 and March 31.

Applications for the **Tax Work Off Program** must be filed in person at the Senior Center at the announced date each year.

The **Circuit Breaker** refund must be filed on the Massachusetts income tax form prior to April 15 of the tax year.

A. Elderly Person over 65

For fiscal year 2006 an exemption of \$1,000 can be claimed from your tax bill if you meet the following criteria:

- You are age 65 or older
- Your gross receipts (following the applicable Social Security exclusion: \$3,571 single; \$5,357 married) must not exceed \$20,000 single or \$30,000 if married;
- Your assets (other than your home in which you live) are less than \$40,000 if single \$55,000 if married;
- You have lived in your Southborough home for the past five years or more, and in Massachusetts for the past ten years or more.

In order to receive this exemption (Clause 41C), you must complete an application and file it at the Assessors office.

Elderly Person over 70

An exemption of \$193 can be claimed from your property tax bill if you meet all of the following criteria:

- You are age 70 or over or a surviving spouse;
- You have owned and occupied your property for at least the last five years;
- Your assets (other than the home in which you live) are no more than \$44,200;
- You have lived in your Southborough home for the past five years or more;
- There is no income requirement.

Why Tax Deferral is an attractive option?

This deferral is, in effect, a low cost alternative to a reverse mortgage, but without the high costs imposed by financial institutions.

With property values escalating the amount deferred each year is a very small fraction of the properties over all value.

This program allows your home equity to pay your taxes. There is currently movement by the Massachusetts legislature to allow a lower interest rate.

In order to receive a deferral (Clause 41A) you must complete an application and file it at the Assessor's office.

E. Tax Work Off Program

This popular program provides up to \$750 of property tax relief to qualified senior citizens by placing them in a variety of jobs in Town departments. It is a win-win program helping senior homeowners with their property taxes and town departments to complete projects that with lack of time go undone.

To be eligible, you must met the following criteria:

- Own and live in a Southborough home for which taxes are due;
- Be age 60 or over;
- Be willing to commit to 112 hours of service per year;
- Have appropriate skills that match with the needs of the town departments.

Applicants who meet the requirements will be interviewed by department heads prior to being assigned a specific job. This program is sponsored and operated by the Southborough Senior Center. Preference will be given to those seniors with the greatest financial need.

The sign up time is normally in the early spring. Notice will be given of the sign up day and hour and acceptance to the program will be on a first come first served basis.

In order to receive this exemption (Clause 17D), you must complete an application and file it at the Assessors office.

Blind Persons

Persons who are legally blind may receive an exemption of \$500 if the following conditions are met:

- You must provide annually a certificate of blindness from the Commission on Blindness
- You must own and occupy the property as your primary residence
- There are no income or whole estate restrictions.

In order to receive this exemption (Clause 37A), you must complete an application and file it at the Assessor's office

Disabled Veterans

Exemptions vary from \$250 to a full exemption. The requirements are:

- You must be a veteran or spouse, or surviving spouse of a veteran;
- The veteran must have a service-connected disability of at least ten percent (as verified by the Veterans Administration) or must have been awarded the Purple Heart;
- The Veteran must have lived in Massachusetts's for at least the past five years or must have lived in Massachusetts for at least six months prior to entering the service.
- There is no income or asset restriction.
- The parent of a serviceperson who lost his or her life during wartime is also eligible.

In order to receive this exemption (Clause 22), you must complete an application and file it at the Assessors office.

B. Community Preservation Fund Exemption

The community Preservation Act provides funding for the purpose of open space, historical preservation, and community housing projects and purchases. It is financed via a surcharge on property taxes with matching funds from the state.

For senior citizens, the eligibility requirements for full C.P.F. exemptions are as follows:

- You must be at least 60 years of age as of July 1 of the tax year.
- Your income must not exceed \$60,340 for single households, \$68,960 for two-member households and up to \$113,784 for an eight- member household.

In order to obtain a C.P.F. exemption, you must complete and file an application at the Assessor's office.

C. Hardship Exemption

Persons who are facing an unforeseen financial hardship and medical condition in a given year may request tax relief in the form of a "Clause 18 exemption". The decision to grant this exemption is solely at the discretion of the Assessor's office.

D. Tax Deferral

Any and all of your property tax may be deferred (but not exempted), with interest, until such time as the property is sold or transferred, or until the death of the owner, at which point the taxes and interest must be paid.

The accumulated total of the taxes deferred cannot exceed 50% of the applicant's share of the assessed value of the property. For the year 2006 the interest rate is 8% simple not compounded.

Eligibility Requirements are:

- You must be at least 65 years of age as of July 1 of the tax year;
- Your gross income receipts from all sources in the previous year cannot be more than \$40,000.
- There are no asset restrictions.