

WHAT IS THE COMMUNITY PRESERVATION ACT AND HOW DOES IT IMPACT MY TAXES?

At the annual town elections held on May 12, 2003, the majority of voters adopted the Community Preservation Act. Below is a brief answer to some commonly asked questions that are important for residents to understand.

1. What is the CPA?

Massachusetts General Law established the Community Preservation Act (CPA). The CPA establishes a special fund with dedicated revenues to provide communities with additional financial resources to expand their open space, historic, recreational and community housing assets.

2. How is the CPA funded?

The primary revenue source for the fund is an annual real estate tax surcharge that communities may impose of up to 3% on real estate taxes. **Southborough has adopted a surcharge of 1% on all real estate tax** assessments beginning with the actual tax bills for FY'04. This is the February 1, 2004 tax bill.

3. Are there any possible exemptions to this surcharge?

Yes, there are two possible exemptions.

- The first \$100,000 of all residential property in Southborough will be exempt from the surcharge. For example – if your home is valued at \$350,000, the 1% surcharge will be calculated on the **tax** of \$250,000 value. The town will do this automatically.
- Exemptions for paying the surcharge are available for certain qualifying taxpayers. Applications are available at the Assessors office in the Town House or on our webpage. Should you have any questions, please contact the Assessors at 508-485-0720.

4. When will I see the surcharge on my tax bill?

The 1% surcharge will appear on your 3rd quarter real estate bill, which will be mailed out on or about January 1, 2004.

If you are a residential homeowner who is **60 years old or older**, you can apply for a total exemption to the surcharge only if your total household net income does not exceed the amount on the following chart:

Number in Household:	1 person	2 person	3 person	4 person
Maximum Household Net Income to Qualify	\$ 56,550	\$ 64,650	\$ 72,700	\$ 80,800

If you are a residential homeowner who is **under 60 years old**, you can apply for a total exemption to the surcharge only if your total household net income does not exceed the amounts on the following chart:

Number in Household:	1 person	2 person	3 person	4 person
Maximum Household Net Income to Qualify	\$ 45,250	\$ 51,700	\$ 58,200	\$ 64,650

Note: Total Household Net income can generally be calculated with the following formula:

Household Gross Income
 Minus Dependent Deductions (if applicable)
 Minus Medical Deductions
 Equals Net Income

Family of 4 people all **under age 60** allowable net income: \$64,640

Gross Income:	\$ 65,000.00	(from all sources)
Dependent Deduction:	600.00	(300 per child under 18 yrs old)
Medical Deduction:	3,000.00	<u>(non-reimbursable medical costs)</u>
Net Income:	\$ 61,400.00	

Family of 2 people age **60 or older** allowable net income: \$64,640

Gross Income:	\$ 65,000.00	(from all sources)
Dependent Deduction:	0.00	
Medical Deduction:	4,000.00	<u>(non-reimbursable medical costs)</u>
Net Income:	\$ 61,000.00	