

CLAUSE 41C - FY2020

Qualifications for Senior Exemption

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.

Clause 41C provides exemptions to seniors who meet specific ownership, residency, income and asset requirements.

APPLICATION

Applications must be filed annually with the Assessor's by April 1, 2020. Filing an application does not entitle the applicant to a delay in tax payments.

EXEMPTION AMOUNT

The exemption amount is \$1,000.

ELIGIBILITY REQUIREMENTS

An individual must satisfy all requirements as of July 1, 2019 relating to:

1. Age – Must be 65 years of age
2. Ownership, Occupancy, and Domicile
3. Annual Income and Assets

DOCUMENTATION

An applicant must provide to the Assessor's information to establish eligibility. This information may include, but is not limited to:

1. Birth certificate
2. Evidence of ownership, domicile and occupancy

3. Income tax returns
4. Bank and other asset account statements
5. Year-end Social Security, Pensions, Annuity statements
6. All other income statements

OWNERSHIP AND DOMICILE

You must own and occupy the property as your domicile. 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.

1. 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.

ASSET LIMITS

Your assets (whole estate) cannot exceed \$42,353 if single, \$58,235 if married. Whole assets means all assets to which you have legal title and access as sole, joint owner or trustee that contributes to your total worth. The value of cemetery plots, registered motor vehicles, wearing apparel and household furniture and effects located in the domicile is not included in the calculation of the whole estate. The value of the domicile is generally not included, but portions generating income over a certain number of units may be included.

INCOME LIMITS

Your income (gross receipts) for the previous calendar year cannot exceed \$21,177 if single, \$31,765 if married.

Gross receipts means income from all sources and is broader than taxable income for federal and state income tax purposes. (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).

Social Security Deduction when computing gross receipts for applicants seeking a FY2020 exemption under Clause 41C is \$4,758 Worker and \$2,379 Spouse, total for 2 is \$7,137 for applicants who received income from Federal social security or railroad retirement, or from government employee pensions, annuities or retirement plans.

SALE OF DOMICILE

If you sell your home, 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 you are responsible for seeing that the exemption is properly credited at the closing. The Town is not responsible for seeing that you or the buyer allocate the property taxes so you get the benefit of the exemption.