PROPERTY TAX EXEMPTIONS

For Older Citizens, Surviving Spouses and Minors

Michael J. Connolly
Massachusetts Secretary of State

For further information

Contact your local Board of Assessors or call:

Michael J. Connolly
Massachusetts Secretary of State

Citizen Information Service
(617) 727-7030 (in Boston)
1-800-392-6090 (toll free)

PROPERTY TAX EXEMPTIONS

SECTION ONE:
For Older Citizens

For Older Citizens, Surviving Spouses and Minors

If you are an older citizen, surviving spouse (husband or wife) or minor whose parent is deceased, you may be more vulnerable than most citizens to high property taxes.

Fortunately, there have been programs to help you meet your tax obligations. These programs, which provide either property tax exemptions or a deferral of taxes, are set forth in different clauses of Section 5 of Chapter 59 of the General Laws of Massachusetts. Those specifically geared for you have been known as Clause 17, Clause 41 and Clause 41A (the tax deferral clause).

However, with the recent revaluation of property at full and fair cash value, you might have found that you could no longer meet the eligibility requirements for these property tax exemptions. Aware that this situation had arisen, the legislature has enacted statutes which create alternative exemptions to the Clause 17 and Clause 41 exemptions. These clauses, Clause 17C or Clause 17D and Clause 41B or Clause 41C, are available to those whose cities and towns have accepted them.

Acceptance by a city or town means approval by the town meeting in a town, the city council subject to the provisions of the city charter in a city and the town council in a municipality having such form of government. Once a community accepts Clause 41C and/or Clause 17D, Clause 41B or Clause 41 and/or Clause 17C or Clause 17 become inapplicable.

This brochure describes the recent and new exemptions — Clause 41B, Clause 41C, Clause 17C, Clause 17D and the one deferral available to the elderly, Clause 41A, for which there has been no change. Eligibility requirements are presented in the chart. Benefits and the application process are described in the sections that follow.

In addition, aspects of Clause 41 and Clause 17 are briefly reviewed (see section Clause 41 and Clause 17 below).

For more information on all exemptions and deferral clauses, please contact your local assessor.

Described below are programs designed specifically for older citizens: tax exemptions under Clause 41C, Clause 41B, Clause 41, Clause 17D, Clause 17C, Clause 17 and a tax deferral under Clause 41A.

Clause 41B, Clause 41C

In general you should select the exemption most advantageous to you and which has been accepted by your municipality. If you qualify, your assessor will grant you either a tax exemption of $4,000 on the property valuation or a deduction of $500 from your tax bill, whichever results in the greater benefit to you. The eligibility requirements are broadened under Clause 41C. (See chart for eligibility requirement).

Clause 17C, Clause 17D

If you do not qualify for 41B or Clause 41C exemption, you may be eligible for a Clause 17C or a Clause 17D exemption, depending upon whether one of these has been accepted by your municipality. These clauses would provide you with an exemption of $2,000 on the property valuation or the sum of $175, whichever results in the greater benefit to you. The eligibility requirements are broadened under Clause 17D. (See chart for eligibility requirements.)

Clause 41, Clause 17

For those whose cities and towns have not accepted Clause 41C or Clause 17D, or Clause 41B or Clause 17C, Clause 41 and Clause 17 are still in effect. Their eligibility requirements are as follows:

Clause 41

Applicant must have passed his/her 70th birthday prior to July 1 or, if property is owned jointly with spouse, either spouse must have passed 70th birthday prior to

	Status and Age	Ownership and Occupancy	Real Estate and Personal Property	Gross Receipts	Notes
Clause 41B and Clause 41C Tax Exemptions	You are a single person who is a sole owner or a joint owner who shares ownership with other person(s). You must be 70 years or older before the beginning of the fiscal year (July 1) for which an exemption is sought.	Must have owned and occupied as principal residence any real property in Massachusetts for five years (including ownership and occupancy of present property on July 1st in the year of application). Massachusetts must have been your place of domicile for preceding ten years.	***Clause 41B**** Not to exceed $20,000, excluding assessed value of domicile as of July 1 in the year of application. The portion, if any, which produces income must be included. ***Clause 41C**** Not to exceed $28,000, excluding assessed value of domicile as of July 1 in the year of application. Only the portion, if any, which produces income and exceeds two dwelling units must be included.	For calendar year preceding year in which application is made—less than $10,000 (Clause 41B)* or less than $13,000 (Clause 41C)* after you deduct the minimum annual social security payment from your gross receipts if your gross receipts include payments from social security, railroad retirement or a federal, state, county, municipal or district retirement or pension plan. The minimum annual social security payment rate is available from your Board of Assessors. (Ordinary business expenses and losses may be deducted from gross receipts, but not personal or family expenses.)	***Joint ownership with persons not your spouse*** If you or you and your spouse own property jointly with other person(s), you may apply for that portion of the exemption which corresponds to the proportion of the property that you and your spouse own. However, unless each joint owner meets the requirements for gross receipts and total worth for a single person or married couple, whichever is applicable, no joint owner is eligible.
	You and your spouse are joint owners. Either spouse must be 70 years or older before the beginning of the fiscal year (July 1) for which an exemption is sought. You are married and your spouse is not an owner. You must be 70 years or older before the beginning of the fiscal year (July 1) for which an exemption is sought. *Differences between Clause 41B and Clause 41C are noted where applicable.	See above A surviving spouse inheriting the property must have occupied the property for five years.	***Clause 41B**** Spouses' total worth combined not to exceed $23,000, excluding assessed value of domicile as of July 1 in the year of application. The portion, if any, which produces income must be included. ***Clause 41C**** Spouses' total worth combined not to exceed $30,000, excluding assessed value of domicile as of July 1 in the year of application. Only the portion, if any, which produces income and exceeds two dwelling units must be included.	For the calendar year preceding year in which application is made—less than $12,000 (Clause 41B)*, less than $15,000 (Clause 41C)*, jointly after you deduct the minimum annual social security payment from your gross receipts if your gross receipts include payments from social security, railroad retirement or a federal, state, county, municipal or district retirement or pension plan. The minimum annual social security payment rate is available from your Board of Assessors. (Ordinary business expenses and losses may be deducted from gross receipts, but not personal or family expenses.)	
Clause 17C and Clause 17D Tax Exemptions	You are single, or if married, your spouse is not an owner. You must be 70 years or older before the beginning of the fiscal year (July 1) for which an exemption is sought.	Must have owned and occupied the real estate as domicile in Massachusetts for not less than ten years (Clause 17C),* not less than five years (Clause 17D)* and must own and occupy the property on July 1st in the year of application.	***Clause 17C**** Exclude any unpaid mortgage balance and up to $60,000 of the assessed value of the domicile. Total worth (real and personal) cannot exceed $40,000. ***Clause 17D**** Not to exceed $40,000, excluding assessed valuation of domicile as of July 1 in the year of application. Only the portion which produces income *and* which exceeds two dwelling units must be included. Any unpaid mortgage balance is excluded.	Not applicable	
	You are joint owners who are husband and wife. Either spouse must be 70 years or older before the beginning of the fiscal year (July 1) for which an exemption is sought.	Either spouse who is over 70 must have owned and occupied the property in question as the domicile for ten years (Clause 17C)*, for five years (Clause 17D)*.	Same as above	Same as above	
	You are a surviving spouse of any age or a qualified minor. *Differences between Clause 17C and Clause 17D are noted where applicable.	Must be present owner and occupant.	Same as above	Same as above	
Clause 41A Tax Deferral	You are single, or if married, your spouse is not an owner. You must be 65 years or older by July 1 of year in which application is made. You are a single person who is a joint owner sharing ownership with other person(s). You must be 65 years or older by July 1 of year in which application is made. (See note, opposite, on surviving spouse).	Must have owned and occupied as your domicile any real property in Massachusetts (including present property) for five years. Massachusetts must have been your domicile for preceding ten years.	Not applicable	From all sources in calendar year preceding year in which application is made, not to exceed $20,000.	A surviving spouse inheriting the property must have occupied it or other real property for five years. The surviving spouse may continue to defer taxes. However, the total of taxes deferred by both spouses together with interest thereon may not exceed 50 percent of their interest in the property. Payment of a deceased spouse's deferred taxes shall not be required during the life of a surviving spouse of any age who inherits the property. If you or you and your spouse own property jointly with other person(s) you may apply for the deferral. The deferred taxes with interest at 8 percent in this case are not to exceed one half of the full and fair cash value of the proportion of this property owned by you or you and your spouse.
	You and your spouse are joint owners. Either spouse must be 65 years or older by July 1 or the year in which application is made. If you or you and your spouse are joint owners with other person(s), see note, opposite.	Same as single except that number of years that property is owned by either spouse shall be added to number of years owned jointly to make five years.	Not applicable	From all sources in calendar year preceding year in which application is made, combined not to exceed $20,000.	

July 1. Applicant must have owned and occupied the property as principal residence on July 1.

For calendar year preceding year in which application is made, gross receipts must be less than $6,000 for a single person or less than $7,000 for a married couple, after deducting the minimum annual social security payment.

Real estate and personal property, the "whole estate", may not exceed one of two options. Option 1 allows a whole estate of $17,000 for a single person or $20,000 for a married couple, excluding assessed value of domicile as of July 1 in year of application. Option 2 allows a whole estate of $40,000 for a single person or $45,000 for a married couple, including the assessed value of the domicile. If there is joint ownership with a person not a spouse, the whole estate, real and personal, of each joint tenant or tenant in common must be less than $12,000 for a single person or not exceed $15,000 if married, including the assessed value of the domicile.

The exemption is the sum of $500 or $4,000 on the property valuation, whichever results in the greater benefit to you.

Clause 17

Requirements for age, ownership and occupancy for Clause 17 are the same as those for Clause 17C, which are described in the chart. The total value of real estate and personal property must not exceed $20,000 minus any unpaid mortgage balance. There are no gross receipt limitations.

The exemption is the sum of $175 or $2,000 on the property valuation, whichever results in the greater benefit to you.

Clause 41A

If you are unable to qualify for an exemption under any of the clauses described above, or if these exemptions do not help you enough in paying your real estate taxes, you might consider applying for a tax deferral under Clause 41A. A deferral permits you to delay payment on property taxes. As opposed to an exemption, these unpaid taxes eventually must be paid.

If you qualify for a Clause 41A tax deferral, (eligibility requirements are outlined in the chart) you enter into an agreement with your local assessor to defer payment of all or part of your taxes plus 8 percent interest up to 50 percent of your interest in the property valuation.

Taxes in every year may be deferred until you reach a point where the unpaid taxes plus interest due are equal to 50 percent of your interest in the full and fair cash value of the property. When that point is reached, although you may no longer defer payment on current and future taxes, the unpaid taxes and interest to date together with interest which will continue to accrue on the unpaid taxes may remain unpaid until the property is sold or until your death. Upon your death the deferral may be continued by your surviving spouse, if he/she qualifies, or the taxes may be paid by your heirs or your estate. You can, of course, repay total deferred taxes at any time before then. If the property is sold prior to your death, the taxes must be paid in order to release the lien that was placed on the property while there were unpaid deferred taxes.

Do I Qualify?

Consult the chart on the back of this page or the pertinent section on this page to see if you are eligible for exemptions under Clause 41C, Clause 41B, Clause 41, Clause 17D, Clause 17C, or a tax deferral under Clause 41A.

If you think you qualify, consult with your Board of Assessors. They should be able to answer any questions you may have. If not, please contact the Property Tax Bureau of the Massachusetts Department of Revenue at (617) 727-4231.

How Do I Apply?

Contact your local Board of Assessors for an application form. You must apply each year for an exemption or deferral. Generally, you can receive only one exemption so submit the application for the exemption which will give you the greatest benefit. However, since Clause 41A is a deferral of taxes, you may use a Clause 41A deferral in conjunction with an exemption for which you qualify.

Applications under Clause 17, Clause 17C, Clause 17D, Clause 41, Clause 41A, Clause 41B or Clause 41C must be filed with the Board of Assessors on or before December 15 in each year. If the property tax bill is mailed after September 15, you have three months from the date the tax bill is first mailed in which to apply. Under Clause 41A, however, if the tax bill is mailed after September 1, you must file the application for deferral on or before the 30th day after the tax bill is first mailed. The application covers the fiscal year for which the property tax is due. (A fiscal year runs from July 1 through June 30). In the year of local acceptance of a Clause 41C or Clause 17D the community allows an additional 45 days from the date of acceptance to apply unless a later date for applying is allowed by another statute.

In addition to your local Board of Assessors, your local Council on Aging may be able to help you fill out the forms. Some Councils employ tax specialists to provide such assistance.

SECTION TWO:

For Surviving Spouses and Minors with Deceased Parent(s)

In addition to its coverage of older citizens, Clause 17D, Clause 17C or Clause 17 exemptions include surviving spouses of any age or a minor whose parent is deceased. Applicants who qualify and apply receive a yearly exemption of $2,000 on the property valuation or the sum of $175, whichever yields the greater amount.

Do I Qualify?

In order to qualify, you must have owned and occupied the property as your principal place of residence as of July 1 of the year in which the application is made. Consult chart on Clause 17C, Clause 17D or above section on Clause 17 to see requirements.

How Do I Apply?

If you think you qualify, contact your local Board of Assessors for an application form. See procedure as outlined in Section One. In addition to your local Board of Assessors, your local Council on Aging may be able to help you fill out the forms. Some councils employ tax specialists to provide such assistance.

SECTION THREE:

Additional and Other Exemptions

Additional Exemption

If a community accepts Section 4 of Chaper 73 of the Acts of 1986 (see assessors), an additional exemption is available for those who qualify under Clause 41C, Clause 41B, Clause 41, Clause 17D, Clause 17C or Clause 17. The additional exemption cannot exceed the amount of the exemption for which you are qualified; the additional exemption cannot result in a taxpayer paying taxes that are less than that of the preceding fiscal year; and the taxable valuation of the property, once the exemptions are applied, cannot be reduced below ten percent of its full and fair cash valuation.

Other Exemptions

If two or more people own property, each of whom is entitled to a *different exemption*, each can apply and if the person is qualified, each will be entitled to his/her exemption. Consult your local Board of Assessors.

In addition to the deferral and exemptions already described, there are several other kinds of property tax exemptions under Massachusetts General Laws, Chapter 59, Section 5. Some of these exemptions (but not all) are listed below. Clause 18 and Clause 22 are of particular importance.

Clause 18 exemptions are for persons who, because they are aged, infirm and poverty stricken, cannot make full or partial payment of their property taxes. The decision to grant a Clause 18 exemption is made solely at the discretion of your local assessors.

Varieties of Clause 22 exemptions are available for certain categories of veterans and their families.

If you think you qualify for any of these exemptions, you may file an application with your local Board of Assessors. If your application is denied, except in the case of Clause 18, you may appeal to the Appellate Tax Board, 100 Cambridge Street, 10th floor, Boston, MA 02204, (617) 727-3100

Clause	*For property owned by:*
18	A person who, in the judgment of the assessors, is unable to pay taxes because of age, infirmity and poverty.
22	Veterans with a war-service connected disability of ten percent or more; veterans awarded the Purple Heart, veterans of the Spanish-American War, Philippine Insurrection or Chinese Relief Expedition; spouses or surviving spouses of certain soldiers or sailors or certain veterans; parents of soldiers or sailors who lost their lives in wartime service; and surviving spouses of World War I veterans.
22A-22E	Other special classes of disabled veterans
37 or 37A	A blind person.
42	A surviving spouse of a police officer or firefighter killed in the line of duty.
43	Minor children of a police officer or firefighter killed in the line of duty.

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CITY OF CAMBRIDGE

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TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

December 22, 1986

To the Honorable, the City Council:

In response to Awaiting Report No. 3, the State Legislature has enacted legislation which provides for abatements for elderly property owners. I have attached a report from the Board of Assessors as well as a pamphlet from the Secretary of State which provide additional information on these new provisions.

Very truly yours,

Robert W. Healy
City Manager

Agenda Item No. 1 S-685

Re: response to Awaiting Report Item No. 3, on legislation which provides abatements for elderly property owners.

In City Council,

December 22, 1986

Placed on File