

Q: Are elderly property tax breaks changing?

A: Very likely. Governor Mitt Romney recently said “we must also extend a helping hand to our seniors.... Let’s help them by providing property tax relief...” The property tax breaks available to elders have not kept pace with inflation. A study by the State Auditor found that state reimbursement to communities for elderly homeowners has been capped at \$500 per exemption for the past 20 years. The Auditor recommended that the Legislature increase the amount of the property tax exemption for elders, and that state payments to municipalities be increased. The report also recommended an increase in the financial eligibility criteria for elderly exemptions, and repeal of the provision capping the number of exemptions for which the state will pay communities.

Under Massachusetts law (Chapter 59, section 5), persons 70 years or older who meet certain income, whole estate, and residency requirements, can get a property tax break worth \$500. Not all towns have the same options, because some of these clauses have to be adopted by vote of the city or town.

Elders have to file for these tax breaks every year before December 15th, or 3 months after property tax bills are mailed. For several of the exemptions, an elder must have lived in Massachusetts for the past 10 years, and owned their property for 5 years. There are three major exemptions (Clause 41, 41B, 41C) and they all have different income and estate limits. Clause 41 allows a single senior to have only \$6,000 in gross receipts (not counting Social Security), Clause 41B allows \$10,000, and Clause 41C allows \$13,000. There are also “whole estate” limits which vary. A Clause 41 estate (not counting your home) is \$17,000 if single, \$20,000 for Clause 41B, and \$28,000 for Clause 41C. Elderly couples get higher receipt and estate limits. Call your local Board of Assessors to see which Clauses your city or town has adopted. Bring your birth certificate, income tax returns, and evidence of home ownership.

The best property tax break is the so-called “circuit-breaker” provision of state law, which allows elderly homeowners to get a refundable state tax credit if their local property tax and water/sewer bills exceed more than 10% of their income. You can be credited for up to \$810. Elderly renters can also take advantage of this law if 25% of their annual rent exceeds 10% of their annual income. Even if you owe no state taxes, you can get a tax credit back. You can claim up to three years credit retroactively. Call the Department of Revenue at 617-626-2300 and ask for a CA6 amendment form. Also fill out Tax Schedule CB. You can file amendments after April 15th, but for not more than three years retroactively.

State law also allows seniors to “work off” their property taxes up to \$750, or to defer payment of property taxes. Check with your local assessor for the latest updating of these benefits, or any changes passed on Beacon Hill.