

December 17, 2007

To: Maureen Valente, Town Manager
From: Senior Tax Deferral Study Committee

SUMMARY

The Deferral Program is a very valuable asset to the Town. Over sixty senior taxpayers are enrolled, benefiting both town and citizens.

We recommend the Selectmen prepare an article for the 2008 Town Meeting to take advantage of what has been learned since our last Home Rule Petition five years ago. Specifically, we recommend changing the income eligibility for tax deferral so that it is equal to and tied to the income eligibility for the Circuit-Breaker Credit. This will result in “indexing” the income eligibility.

Our other recommendations, which do not require Town Meeting approval, are:

1. Improve communication. We feel the program could benefit many more seniors than are currently enrolled.
2. Help with Counseling. The Assessor’s office does a fine job of counseling, but has to tread very carefully because of privacy concerns. The Senior Center should be able to pitch in, providing general counseling without necessarily dealing with individual personal data.
3. Further Data Collection. The Selectmen will be faced with annual decisions regarding interest rates on deferrals. Additional data to help them assess the costs and benefits to the town and the taxpayers will be very valuable.
4. Interest-leveling. We ask the Selectmen to adopt a public policy stating that any interest-rate increases will be very gradual, not more than 1% per year.

The Senior Tax Deferral Committee first met informally on November 7th, so the members could meet each other and become familiar with the Deferral Program. Since all the members had a general knowledge of the program, very little time was needed to bring people up to speed. We benefited from having the Town Assessor and Town Housing Specialist as working members, making access to Town Data almost immediate.

We learned, from the Treasurer's 2007 report to the Selectmen (attached), and from the Assessors Office, that:

The current (FY2007) deferrers (62) had income ranges of

0-\$40,000	41
\$40-60,000	21

Sixteen of the deferrers live in condominiums (Frost Farm) and the balance in private homes. Five deferrers are under 65, and the balance are 65 or older. The average tax deferred is in the neighborhood of 50% of the average residential tax bill. The interest rate for deferrers is the most critical variable. When the rate was 8% statewide, the total number of deferrers statewide (1995-2005) ranged from only 1,339-1,120. In 2004 Sudbury's 26 deferrals put us in the top 10 in the Commonwealth, despite our relatively low population. Sudbury's participation rose as the interest rate dropped below "mortgage" rates.

<u>Year</u>	<u>Interest Rate</u>	<u>Deferrers</u>
2002	8%	14
2003	4%	23
2004	2%	26
2005	2.5%	33
2006	2.5%	49
2007	2.5%	62

At our Second meeting we were joined by the Treasurer and learned more about the costs of the program. Up to this date the Town has been able to 'carry' the deferred tax amounts within its normal operating parameters. At some point the deferrers will all have to repay the taxes due and the town will recover the funds. At some point the demand for funds should level out, and there should be a continuing stream of sales, resulting in taxes being paid at about the same rate as they are being deferred.

However that may not be the case for some time. At present the taxes deferred amount to just over \$1,000,000, and will probably increase by \$300,000-400,000 next year.

For this reason we discussed borrowing with the Treasurer. If we assume the Town will have to borrow money to support the deferral program, it will be important to know, each year, the rate at which the Town can borrow. We asked the Treasurer to provide us with any information she can about the cost of borrowing. We were told that the least expensive way of borrowing, TAN's (Tax anticipation Notes), are probably not appropriate since the borrowing will probably be for a longer period, perhaps several years. We decided that, for the purposes of this study, we would estimate that the Town would/could borrow funds at a 4.5% rate.

Costs and Benefits

It is important for a Town to have a diverse population. The older families in Town can contribute more time as volunteers, and enrich the Community by their presence. Financially, if we level out with, say 100-150 families remaining in their homes after their children have been educated; it is certainly reasonable to assume that our school costs will be lower.

Against this is an expense for administration, which so far has been moderate, and a potential interest-rate cost.

If we look at a possible scenario where the Town is carrying \$1,000,000 in deferred taxes, charging 2.5% interest, and paying 4.5% interest (arbitrary assumptions) then the town would have two interest-costs to absorb:

1. $\$1,000,000 \times 2.5\%$ (net) or \$20,000 per year
2. The 'carrying costs' of the other \$25,000 until it is repaid
 $\$25,000 \times 4.5\% = \$1,125 \times (5\text{years?}) = \$5,625$

The Selectmen would have to balance a theoretical interest rate cost of about \$25,000 against the school-savings of having fifty-or-so houses stay in the hands of senior citizens

For the families, the costs and benefits are clear. The taxpayers who are deferring appear to have homes valued at under \$500,000, (average \$419,500)

which leaves them with few options for moving without leaving the Metro-West area. Houses and condominiums in the nearby towns cost about as much as these taxpayers are likely to receive from a sale, so their only benefit will be a lower tax rate (in general). Deferring may cost more in the long run...deferral isn't abatement...but it does allow a family to age in place, a very valuable benefit.

The cost is also clear, and, we believe, unfair. Taxpayers who defer are currently ineligible for the Commonwealth's Circuit-breaker tax credit. Even though they sign a "tax deferral and recovery agreement" (read mortgage), they lose the credit that can be as much as \$900 in 2007. A similarly situated taxpayer, who takes out a reverse mortgage, or a home equity loan to pay his/her taxes, is eligible for the credit.

Eligibility

We struggled mightily to determine how many families were likely to take advantage of the Deferral Program. Eligibility depends on income, and income is defined, for the purpose of the program, as total cash income of the occupant and spouse.

That's hard to estimate. From the work some of us had done on PTERC, we were familiar with the issue and were able to gather useful information from the Department of Revenue and from the Census Bureau.

The Department of Revenue provided invaluable information, which is included here as an attachment. The single most important table (Table II-3, is sorted to eliminate renters and include everyone age 65 or older, showed that there were a total of 970 tax returns filed in Sudbury.

We started with that number (970) and then reduced it by 100 to reflect the families that live in Sudbury in Subsidized rental housing (the DOR couldn't eliminate them since they didn't qualify for the rental deduction), ending with 870 families over the age of 65. That matches the number in the Sudbury housing plan (873 families with someone 65 or older).

Estimating income is the hard part, since the DOR data doesn't include Social Security. After looking at the "Income of the Aged Chartbook for 2002", we felt more comfortable. The Chartbook identifies the highest quintile of the aged as having incomes of \$40,982 or higher, and states that they receive 20% of

their income from Social Security. We thought this was a suitable estimate for us to use.

If we assume that, then a person earning \$60,000, the limit for Deferral in Sudbury, would be estimated to earn 20% 12,000 from Social Security. So, if their Massachusetts income (Net AGI on Table II-3) was 48,000 or less, they would be eligible to defer. That would reduce our 873 families to about 490, since 374 of our 873 families earned \$50,000 or more plus Social Security.

Are there 490 families eligible? Not likely. We haven't taken into account other forms of income (non-taxable. Table II-3 Circuit-breaker filers shows that in 2004 there were 155 families in Sudbury claiming the circuit-breaker (and 132 of them has Mass income under \$25,000).

We expect that with good communication the number of deferrers will grow steadily, possible leveling off between 100 and 200 families.

Communication

There are two extreme points of view about the Deferral Program. One is that it is a "Good Deal" for the retiree. The low interest rate Sudbury is charging allows a prudent taxpayer to leave his/her money in a higher-yielding Certificate of Deposit, and defer taxes. If the rates ever reverse, he/she always has the option of paying off the deferred taxes, and/or discontinuing the practice of deferring. Meanwhile, he/she can continue to enjoy the family home, continue to participate in the increased (not this year) in property value, and avoid the expenses and disruption of moving.

The "Bad Deal" point of view holds that this is the way to lose your home, or, if not that, have nothing left to leave your children. Particularly among this generation, many of whom remember the Depression very well, the idea of taking out a mortgage in old age is anathema.

The Committee holds with the "Good Deal" point of view, and believes that a good communication program can help. The Council on Aging agrees, and has already started a publicity program. We further hope the Board of Selectmen will do what they can publicly to assure the Seniors that there won't be a surprise jump in interest rates. We believe that convincing Seniors that there will be no surprises and that interest rates will rise, if at all, very gradually, will do a lot to make the program more acceptable.

Indexing Eligibility

In 2002 when Sudbury adopted its new Deferral Rules, it seemed generous to raise the income limit from \$40,000 (the state maximum at the time) to \$60,000. Time has proved this to be true. 21 of the present 62 deferrers would not have been eligible under the old limits.

However time will make the \$60,000 limit more and more confining..

We recommend changing the income eligibility to match that for the Circuit-Breaker, which is indexed. This may take a year or two, since it will require approval by the legislature.

Eligibility in Sudbury does not depend on marital status, or tax-filing status, since these do not affect property tax rates. We recommend that this continue to be the practice in Sudbury, and that the local rate be indexed to the rate for married-couples-filing-jointly. This is currently \$72,000, which is an appropriate adjustment to the \$60,000 limit Sudbury adopted in 2003.

Data

We found ourselves asking for more and more information about the taxpayers who are deferring, and we recommend such data be kept in searchable form in the future. It seems to us that it will be valuable, and not too much work, to keep a running tab on all the deferrals so that when the Selectmen have to make their annual decisions about interest rates they will have every possible bit of useful information available.

Sunset Provision

We considered the need for a Sunset Provision, and/or for some guards against abuse, and decided none were necessary.

We have no reason to suspect abuse. The town benefits from periodic independent audits of its finances, and we assume these will include this program.

If, in the future, the Selectmen decide the program has costs that are not acceptable, they will have the option of limiting the program through changes in the interest rate charged. We do not anticipate that this will happen, and if it should we urge that the changes be gradual.

Submitted by:

Senior Tax Deferral Study Committee

Maureen Hafner, Director of Assessing

Dave Levington, Council on Aging (Chair)

Bill Maloney, PTERC

Pat Mullen, Council on Aging

Beth Rust, Community Housing Specialist

Andrew Schwarz, PTERC

Attachments

1. Chapter 320 of the Acts of 2002 (Sudbury's Home Rule Petition establishing eligibility for the Deferral Program)
2. Treasurer's 2007 report of Sudbury Deferral Statistics
3. Department of Revenue's Circuit-Breaker Guidelines 2004-2007
4. State Auditor's 2004 Report, Appendix I, showing deferrals by Town
5. Relevant Information concerning Senior Citizens in Sudbury, (PTERC, 2003)
6. Sources of Income of the Aged, 2002 (Income of the Aged Chartbook)
7. Income Tax Statistics, 2004, for Sudbury (from Dep't of Revenue)
8. Letter from DOR regarding eligibility for Circuit-Breaker for taxpayers deferring taxes under #41A.
9. FY2008 forms used by the Assessors for Deferral Program

Chapter 320 of the Acts of 2002

AN ACT AUTHORIZING THE TOWN OF SUDBURY TO REGULATE CERTAIN PROPERTY TAX EXEMPTION ELIGIBILITY REQUIREMENTS FOR THE ELDERLY.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding clause Forty-first A of Section 5 of chapter 59 of the General Laws, or any other general or special law to the contrary, and subject to Sections 2 to 5, inclusive, of this act, the board of assessors of the town of Sudbury shall defer the real estate property tax payment for property of a person 60 years of age or older and occupied by him as his domicile, or a person who owns the same jointly with his spouse, either of whom is 60 years or older and occupied as their domicile, or of a person who owns the same jointly or is a tenant in common with a person not his spouse and occupied by him as his domicile, if the person claiming the exemption either alone or together with his spouse had combined income of \$60,000 or less during the preceding year. No restrictions shall be imposed based upon the number of years the property owner (a) has been domiciled in the commonwealth; or (b) owns and occupies as his domicile such real property.

SECTION 2. Any such person may, on or before December 15 of each year to which the tax relates or within 3 months after the date on which the bill or notice is first sent, whichever is later, apply to the board of assessors for an exemption of all or part of such real property from taxation during such year; provided, however, that in the case of real estate owned by a person jointly or as a tenant in common with a person not his spouse, the exemption shall not exceed that proportion of total valuation which the amount of his interest in such property bears to the whole tax due. The board of assessors shall grant such exemption provided that the owner or owners of such real property have entered into a tax deferral and recovery agreement with the board of assessors on behalf of the city or town. The said agreement shall provide:-

(1) that no sale or transfer of such real property may be consummated unless the taxes which would otherwise have been assessed on such portion of the real property as is so exempt have been paid, with interest at the rate of 4 per cent per annum for the first year and at an annual rate set thereafter by the board of selectmen provided that the rate set by the selectmen shall never exceed 8 per cent per annum;

(2) that the total amount of such taxes due, plus interest, for the current and prior years does not exceed 50 per cent of the owner's proportional share of the full and fair cash value of such real property;

(3) that upon the demise of the owner of such real property, the heirs-at-law, assignees or devisees shall have first priority to the real property by paying in full the total taxes which would otherwise have been due, plus interest; provided, however, that if such heir-at-law, assignee or devisee is a surviving spouse who enters into a tax deferral and recovery agreement under this clause, payment of the taxes and interest due shall not be required during the life of such surviving spouse. Any additional taxes deferred, plus interest, on said real property under a tax deferral and recovery agreement signed by a surviving spouse shall be added to the taxes and interest which would otherwise have been due, and the payment of which has been postponed during the life of such surviving spouse, in determining the 50 per cent requirement of subparagraph (2);

(4) that if the taxes due, plus interest, are not paid by the heir-at-law, assignee or devisee or if payment is not postponed during the life of a surviving spouse, such taxes and interest shall be recovered from the estate of the owner; and

(5) that any joint owner or mortgagee holding a mortgage on such property has given written prior approval for such agreement, which written approval shall be made a part of such agreement.

SECTION 3. In the case of each tax deferral and recovery agreement entered into between the board of assessors and the owner or owners of such real property, the board of assessors shall forthwith cause to be recorded in the registry of deeds of the county or district in which the city or town is situated a statement of their action which shall constitute a lien upon the land covered by such agreement for such taxes as have been assessed under this act, plus interest as hereinafter provided. A lien filed pursuant to this act shall be subsequent to any liens securing a reverse mortgage, excepting shared appreciation instruments. The statement shall name the owner or owners and shall include a description of the land adequate for identification. Unless such a statement is recorded the lien shall not be effective with respect to a bona fide purchaser or other transferee without actual knowledge of such lien. The filing fee for such statement shall be paid by the city or town and shall be added to and become a part of the taxes due.

SECTION 4. In addition to the remedies provided by this act, the recorded statement of the assessors provided for in this act shall have the same force and effect as a valid taking for nonpayment of taxes under [section 53 of chapter 60](#) of the General Laws, except that: (1) interest shall accrue at the rate provided in this act until the conveyance of the property or the death of the person whose taxes have been deferred, after which time interest shall accrue at the rate provided in section 62 of said chapter 60; (2) no assignment of the municipality's interest under this act may be made pursuant to section 52 of said chapter 60; (3) no petition under section 65 of said chapter 60 to foreclose the lien may be filed before the expiration of 6 months from the conveyance of the property or the death of the person whose taxes have been deferred.

SECTION 5. This act shall take effect upon its passage.

Approved September 12, 2002.

**Town of Sudbury
Deferral Statistics
FY02 - FY07**

Legal History: Sudbury successfully gained Legislative approval for a Home Rule Petition which allowed the Selectmen to annually vote an interest rate no greater than 8.00%.

Age was reduced to 60 and income maxed to \$60,000.

Average Residential Tax (does not include CPF @3%)* Fiscal Year	\$7,399 2002	\$8,052 2003	\$8,025 2004	\$8,101 2005	\$8,957 2006	\$1,558 2002-2006	Difference
No. of Active Participants Participants by Year	14	23	26	33	49	62	48
Number of Annual Withdrawals Annual Remuneration							
Total Deferred by Year	\$50,618.82	\$98,013.26	\$121,529.12	\$149,610.51	\$229,268.58	\$304,137	\$178,649.76
Interest Rates by Year	8.00%	4.00%	2.00%	2.50%	2.50%	2.50%	-5.50%
Participant Increase by Year	n/a	9	3	7	16	46	
Participant Percent Increase	n/a	164.29%	113.04%	126.92%	148.48%	126.53%	442.86%
Deferred Tax \$ Increase by Year	n/a	\$47,394.44	\$23,515.86	\$28,081.39	\$79,658.07	\$74,868.42	
Deferred Tax Percent Increase by Year	n/a	193.63%	123.99%	123.11%	153.24%	132.66%	452.93%

¹* There are 5 Fiscal Year 2007 Deferral Participants under age 65

FY08 current amounts:

Participants	
Deferred Tax Total	\$1,131,827
Interest Rate	2.50%
Average Tax	
Cummulative Total	\$1,131,827

Senior Homeowners & Renters!

YOU MAY QUALIFY FOR CASH or CREDIT FROM THE STATE IF YOU PAY RENT OR PROPERTY TAXES

The Massachusetts "CIRCUIT BREAKER" TAX PROGRAM is for persons 65 or over whose property taxes (or 25% of rent) exceed 10% of their annual income and who meet other qualifying criteria.

If you meet certain requirements, you may be eligible for the refundable tax credit or "Circuit Breaker" now and for the past three years - even if you did not file Massachusetts state income tax forms. You may file for the 2007 tax year beginning in January 2008 and may file retroactively for the last 3 years beginning now*. *The maximum credit you may receive for tax year 2007 is \$900; for 2006 is \$870; for 2005 is \$840; for 2004 is \$820.*

Seniors must meet the following guidelines to qualify for the refund or credit

1. Age 65 or over by the end of the tax year for which you are filing
2. Income: includes Social Security, with some exceptions i.e. blindness; and non-taxable income, i.e. non-taxable pensions

<u>Income for tax year:</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Single	44,000	45,000	46,000	48,000
Head of household	55,000	56,000	58,000	60,000
Married, filing jointly	66,000	67,000	70,000	72,000
3. Residency: Own or rent residential property in Massachusetts (primary residence)
Subsidized renters are not eligible.
4. Assessed valuation of home (must not be greater than)
For tax year: 2004 - \$441,000 2005 - \$600,000 2006 - \$684,000 2007- \$772,000
5. 10% rule: For Owners: Amount by which property tax (plus 50% of water and sewer fees when not covered in property tax bill) exceeds 10% of income, up to the maximum.
For Renters: Amount by which 25% of annual rental payments exceeds 10% of total income, up to the maximum. *The law assumes that 25% of rent goes toward property tax.*

Even if you don't normally file with the state, if you meet the above criteria you are most likely due a "refund" check/tax credit from the Dept. of Revenue. *If you have an accountant, ask him/her for help with this year and /or previous years. *Deadline for 2004 filing is April 15, 2008.*
For more information or assistance filing, call the _____ Council on Aging at _____

Call the MA Department of Revenue for more information and/or forms for the past 3 years.
Mass. Dept. of Revenue – Customer Service: 1-617-887-6367 or online at
www.dor.state.ma.us/help/guides/abate_amend/personal/issues/realestate.htm.

Type and Number of Exemptions, Deferrals, and Credits by City and Town
2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (t)	Work Off (z)	Total	cl. 17E Adopted	cl. 41D Adopted
ABINGTON				73	73			87	87		177	17	354		
ACTION				13	13			30	30	8	229	15	295		
ACUSHNET				27	27			80	80		54		161		
ADAMS			55	55	55			77	77		24		156		
AGAWAM				90	90			46	46		124		260		
ALFORD				53	53			53	53	7	187		300		
AMESBURY				13	13			42	42	4	116	12	187		
AMHERST				25	25			49	49	8	265	116	463		
ANDOVER				50	50			129	129		754	11	944		
ARLINGTON				12	12			27	27		19		58		
ASHBURNHAM				10	10			10	10		13		33		
ASHBY				15	15			9	9		16		25		
ASHFIELD				15	15			22	22	2	174		213		
ASHLAND		47		47	47			73	73	2	19		141		
ATHOL								111	111	2	142	85	340		
ATTLEBORO				68	68			83	83		57		208		
AUBURN				23	23			39	39		31		93		
AVON				17	17			22	22		21	24	84	YES	YES
AYER				12	12			169	169	17	272		458		
BARNSTABLE				8	8			22	22		10		44		
BARRE				14	14			25	25		*	7	40	YES	YES
BECKET				14	14			11	11	5	195	15	240		
BEDFORD				11	11			43	43		42		96		
BELCHERTOWN				25	25			121	121		71	30	247		
BELLINGHAM				11	11			51	51	21	186		269		
BELMONT				11	11			33	33		5		54		
BERKLEY			11	11	11			17	17		19		36		
BERLIN				48	48			16	16		17		33		
BERNARDSTON				48	48			56	56	11	398		513		
BEVERLY				64	64			171	171		220	17	472		
BILLERICA				20	20			40	40		34		94		
BLACKSTONE											10		10		
BLANDFORD											26	8	34		
BOLTON				1,697	1,697			1,230	1,230	7	1,003		3,937		
BOSTON				38	38			47	47	1	82	18	186		
BOURNE				2	2			1	1		25	12	40		
BOXBOROUGH											32	15	47		
BOXFORD								6	6		36		43		
BOYLSTON	1			129	129			150	150	9	378		666		
BRAINTREE				5	5			63	63	4	67	1	140	YES	YES
BREWSTER				37	37			70	70	7	131	5	250		
BRIDGEWATER				4	4			7	7		8		19		
BRIMFIELD															

Appendix 1

Type and Number of Exemptions, Deferrals, and Credits by City and Town
2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted	cl. 41D Adopted
BROCKTON				309	309			247	247	5	406		967		
BROCKFIELD			4	11	4		3	4	4		16		23		
BROOKLINE				11	11			8	8		223		238		
BUCKLAND				83	83			40	40	5	182	32	342		
BURLINGTON	1			119	119			146	146		132		397		
CAMBRIDGE				51	61			125	125		160	75	421		
CANTON								10	10	4	28	12	59		
CARLISLE				24	24			40	40		48		112		
CARVER								8	8		7		18		
CHARLEMONT			3	30	30			25	25		11	20	86		
CHARLTON								24	24	3	20		47		
CHATHAM				67	67			68	68	12	584		731		
CHELMSFORD			43		43			62	62		60		165		
CHELSEA								30	30		3		33		
CHESHIRE								22	22		5		27		
CHESTER			2		2			5	5		5		12		
CHESTERFIELD			607		607		283	6	283	6	248		1,144		
CHICOPEE								6	6				6		
CHILMARK								43	43		*		60		
CLARKSBURG		11		33	33			53	53		69	20	175		
CLINTON				14	14			13	13	19	77		123		
COHASSET											14		14		
COLRAIN				11	11			28	28	10	145		194		
CONCORD				2	2			10	10		8		20		
CONWAY											3		3		
CUMMINGTON				10	10			31	31		36		77		
DALTON				37	37			58	58	14	389		488		
DANVERS								204	204		122	20	346		YES
DARTMOUTH				10	10			87	87	10	287	37	431		
DEDHAM				8	8			29	29		31		68		
DEERFIELD								51	51	1	38		90		
DENNIS								48	48		33		114		
DIGHTON		33		8	8			17	17		19	2	46		
DOUGLAS				2	2			4	4	4	9	8	27		
DOVER				161	161			241	241	1	221	22	646	YES	YES
DRACUT				16	16			118	118		11		145		
DUDLEY								4	4		21		27		
DUNSTABLE		2		13	13			11	11	6	132		162	YES	YES
DUXBURY				49	49			93	93	5	75		222		
EAST BRIDGEWATER				5	5			22	22		4		31		
EAST BROOKFIELD				12	12			59	59	2	181		254		
EAST LONGMEADOW								20	20		24		44		
EASTHAM															

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 Type and Number of Exemptions, Deferrals, and Credits by City and Town
 2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted YES	cl. 41D Adopted YES
EASTHAMPTON				66	66			127	127	1	65		259		
EASTON				31	31			52	52		157	13	253		
EDGARTOWN								12	12		*		12		
EGREMONT												3	8		
ERVING				8	8			21	21		*		29		
ESSEX							10	10	10				40		
EVERETT				76	76			272	272	3	140		491		
FAIRHAVEN				59	59			118	118		80		257		
FALL RIVER				345	345			435	435	1	89		870		
FALMOUTH				87	87			118	118	13	145		363		
FITCHBURG				45	45			88	88		148		281		
FLORIDA		4		4	4		22	22	22				26		
FOXBOROUGH				46	46			54	54		118	15	233		
FRAMINGHAM				51	51			38	38	16	773	20	898		
FRANKLIN				44	44			67	67	4	142	60	317		
FREETOWN				16	16			64	64	1	27	29	137		
GARDNER				73	73		7	82	82		44		199		
AQUINNAH								7	7				7		
GEORGETOWN								13	13	2	43	10	68		
GILL				1	1			11	11		5		17		
GLOUCESTER				139	139			178	178		203		520		
GOSHEN								3	3	1		3	7		
GOSNOLD				48	48			44	44	2	64	4	162		
GRAFTON				14	14			32	32		29		75		
GRANBY								13	13		6		19		
GRANVILLE								34	34		82	2	118		
GREAT BARRINGTON				48	48			95	95		206		349		
GREENFIELD				7	7			24	24	8	59	40	138		
GROTON				21	21			11	11	1	35		68		
GROVELAND								12	12		44		56		
HADLEY				20	20		12	48	48	6	48		122		
HALIFAX				3	3			24	24	5	101	7	140		
HAMILTON								7	7		53		60		
HAMPDEN															
HANCOCK															
HANOVER				22	22			29	29	9	166		226		
HANSON				38	38			42	42	11	77		168		
HARDWICK				9	9			32	32		6	1	48		
HARVARD				2	2			5	5		25	10	42		
HARWICH				18	18			52	52	14	81		165		
HATFIELD				7	7			17	17	1	20		45		
HAVERTHILL				123	123			111	111	3	283		520		
HAWLEY							5	5	5				5		

Appendix 1
 Type and Number of Exemptions, Deferrals, and Credits by City and Town
 2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted	cl. 41D Adopted
HEATH				31				9	32	33	219	19	334		12
HINGHAM				4	4			14	14	5	3		21		
HINSDALE				76	76			77	77	165	107		323		
HOLBROOK				21	21			28	28	8	19	14	156		
HOLDEN								8	8	8	8	14	41		
HOLLAND				14	14			18	18	1	148	5	185		
HOLLISTON				110	110			58	58	1	103	20	292		
HOLYOKE				8	8			44	44		50	18	120		
HOPEDALE				10	10			52	52	2	97	49	210		
HOPKINTON							11		11		*		18		
HUBBARDSTON		7		27	27			72	72		82	5	186		
HUDSON				29	29			76	76	7	129	14	255		
HULL								14	14		5	7	19		
HUNTINGTON				14	14			20	20	1	134	7	176		
IPSWICH				27	27			50	50	3	79	8	167		
KINGSTON				17	17			89	89	2	23		131		
LAKEVILLE				7	7			45	45		31	5	88		
LANCASTER				12	12			14	14		9	15	50		
LANESBOROUGH				115	115			166	166		107		388		
LAWRENCE				16	16			107	107		43	10	176		
LEE				24	24			41	41	2	24		91		
LEICESTER								24	24		39	10	408	YES	YES
LENOX				94	94			166	166		138	7	22		
LEOMINSTER				4	4			9	9		7	2	22		
LEVERETT				19	19			34	34	23	349	27	452		
LEXINGTON								5	5		5		6		
LEYDEN				1	1			4	4	2	12	12	31		
LINCOLN				15	15			10	10	2	42	40	109		
LITTLETON								12	12		191	10	213		
LONGMEADOW				246	246			296	296		335		877	YES	YES
LOWELL								56	56		123	40	219		
LUDLOW				32	32			40	40		67	7	146		
LUNENBURG				211	211			256	256	30	496		993		
LYNN				12	12			23	23	5	171	14	225	YES	YES
LYNNFIELD				221	221			138	138		347	100	806		
MALDEN				1	1			8	8	2	41		52		
MANCHESTER				37	37			86	86	3	103		224		
MANSFIELD				7	7			49	49	15	180	21	272		
MARBLEHEAD				6	6			34	34		37		77	YES	YES
MARION				62	62			56	56	1	212		331	YES	YES
MARLBOROUGH				54	54			47	47	4	240		345		
MARSHFIELD				19	19			22	22	5	86	20	152		
MASHPEE															

Appendix 1

Type and Number of Exemptions, Deferrals, and Credits by City and Town
2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17's	cl. 41	cl. 41B	cl. 41C	Total cls. 41's	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted	cl. 41D Adopted
MATTAPOISETT					5			28	26	1	72	30	129		
MAYNARD				5	5			43	43		180	3	231		
MEDFIELD				3	3			13	13	2	128	40	186		
MEDFORD				348	348			197	197	13	657	23	1,238		
MEDWAY				18	18			58	58	7	106	70	259		
MELROSE				31	31			107	107	8	411	5	562		
MENDON				1	1			24	24	24	25	6	56	YES	YES
MERRIMAC				1	1			20	20		35		56		
METHUEN			1	204	204			219	219	1	222	15	661		
MIDDLEBOROUGH				89	89			169	169		74		332		
MIDDLEFIELD				1	1			2	2		3		5		
MIDDLETON				1	1			22	22	1	51	22	97		
MILFORD				60	60			96	96		195		291		
MILLBURY				13	13			70	70		90		220		
MILLIS				5	5			10	10		92	20	135		
MILLVILLE				42	42			21	21		13		39		YES
MILTON				1	1			76	76	10	311		439		
MONROE				1	1			1	1				1		
MONSON				22	22			22	22		37		59		
MONTAGUE				8	8			20	20		96		116		
MONTGOMERY				2	2			2	2		4		6		
MOUNT WASHINGTON				20	20			18	18	2	45	5	90		
NAHANT				1	1			1	1		8		9		
NANTUCKET				103	103			53	53	13	387	30	586		
NATICK				22	22			14	14	22	275	15	348		
NEEDHAM				520	520			721	721		343		1,584		
NEW ASHFORD				1	1			1	1		7		9		
NEW BEDFORD				1	1			1	1		3		3		
NEW BRAintree				1	1			1	1				1		
NEW MARLBOROUGH				8	8			11	11		3		14		
NEW SALEM				38	38			37	37		246		321		
NEWBURY				132	132			92	92	82	82	28	932		
NEWBURYPORT				9	9			10	10	3	54	8	84		
NEWTON				84	84			118	118		3		205		
NORFOLK				31	31			71	71	4	252	9	367		
NORTH ADAMS				19	19			47	47		65	10	141		
NORTH ANDOVER				16	16			23	23		12		51		
NORTH ATTLEBOROUGH				15	15			20	20	1	135	51	222	YES	YES
NORTH BROOKFIELD				140	140			160	160	8	213		521		
NORTH READING				8	8			83	83	2	138	10	241		
NORTHAMPTON															
NORTHBOROUGH															

Newton 82
 Quincy 51
 Idlington 33
 Lynn 30

Appendix 1

Type and Number of Exemptions, Deferrals, and Credits by City and Town
2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted	cl. 41D Adopted
NORTHBRIDGE				38	38			33	33		29		100		
NORTHFIELD				12	12			16	16		10		38		
NORTON				27	27			29	29	4	6	15	142		
NORWELL				26	26			25	25		122	23	196		
NORWOOD				27	27			53	53		324	20	397		
OAK BLUFFS				27	27			30	30	7	14	10	88		
OAKHAM								8	8		4		12		
ORANGE		31			31		47		47		22		100		
ORLEANS				2	2			23	23	8	19	3	52		
OTIS				55	55			19	19		42		24		
OXFORD				61	61			74	74		80	21	171		
PALMER				4	4			93	93	2	15		257		
PAXTON				119	119			16	16		457		708		
PEABODY		1						124	124	8	1		25		
PELHAM				67	67			10	10		112	10	251		
PEMBROKE				11	11			53	53	9	44		80		
PEPPERELL				3	3			24	24	1	*		4		
PERU				5	5			1	1		10		20		
PETERSHAM								5	5		*	2	2		
PHILLIPSTON				164	164			164	164		158		486		
PITTSFIELD		1					1				*		2		
PLAINFIELD				4	4			14	14		61		79		
PLAINVILLE				40	40			128	128	6	339		513		
PLYMOUTH				6	6			12	12		26		44		
PLYMPTON				8	8			12	12		14	6	40		
PRINCETON				8	8			22	22		6	25	21		
PROVINCETOWN				267	267			232	232		936		1,486		
QUINCY								163	163		233		409		
RANDOLPH				21	21			43	43		82	5	151		
RAYNHAM				58	58			46	46	4	422		530		
READING				25	25			82	82		32		139		
REHOBOTH				284	284			220	220	1	341	50	896		
REVERE								7	7		3		10		
RICHMOND				9	9			23	23		18		50		
ROCHESTER				3	3			39	39	5	169		216		
ROCKLAND								13	13	5	84	4	106		
ROCKPORT											*				
ROWE				9	9			12	12	2	39	9	71		
ROWLEY								16	16		3		23		
ROYALSTON			4								3		3		
RUSSELL				4	4			12	12	1	14		31		
RUTLAND				170	170			88	88	17	399		674		
SALEM															

Type and Number of Exemptions, Deferrals, and Credits by City and Town
2004

Municipality	cl. 17	cl. 17C	cl. 17C1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted YES	cl. 41D Adopted YES
SALISBURY				16	16			39	39	3	49		107	YES	
SANDSFIELD								6	6			3	9		
SANDWICH				3	3			24	24	3	173	10	213		
SAUGUS				71	71			85	85		243		399		
SAVOY	8					18			18				26		
SCITUATE				26	26			28	28		253		307		
SEEKONK				27	27			66	66		119		212		
SHARON				9	9			41	41	13	224	50	337		
SHEFFIELD		4		4	4			17	17		17		38		
SHELBURNE							1		1				26		
SHERBORN				1	1			3	3		28		32		
SHIRLEY				22	22			29	29		17		68		
SHREWSBURY				29	29			134	134	3	184	8	358		
SHUTESBURY				4	4			2	2		5		11		
SOMERSET				112	112			295	295	1	71		479		
SOMERVILLE				299	299			163	163		306	3	714		
SOUTH HADLEY				57	57			53	53		175		285		
SOUTHAMPTON				12	12			32	32		17		61		
SOUTHBOROUGH				5	5			36	36	2	100	25	168		
SOUTHERIDGE				37	37	6		6	6		22		65		
SOUTHWICK				47	47			36	36		26		109		
SPENCER				30	30			79	79		10		119		
SPRINGFIELD			557		557		265		265	3	525	9	1,350	YES	YES
STERLING				10	10	8		8	8		35		62	YES	YES
STOCKBRIDGE				8	8						5		21		
STONEHAM				39	39			193	193	11	429		672		
STOUGHTON				82	82			62	62	3	221	47	415		
STOW				3	3			17	17	1	94	6	121		
STURBRIDGE				7	7			22	22		36	7	72	YES	YES
SUDBURY				24	24			11	11	15	171	35	267		
SUNDERLAND								4	4		17		21		
SUTTON				19	19			26	26		27	18	92		
SWAMPSCOTT				33	33			26	26	13	184	30	286		
SWANSEA		16			16			139	139	4	57		216		
TAUNTON								223	223		86		309		
TEMPLETON				37	37			118	118		11		166		
TEWKSBURY				133	133			129	129		209		471		
TISBURY				2	2			24	24	3	14		43		
TOLLAND											*				
TOPSFIELD				1	1			8	8		86		95		
TOWNSEND				9	9			26	26		33		68		
TRURO				2	2			16	16		15	10	43	YES	YES
TYNGSBOROUGH				18	18			31	31	5	77		131		

Type and Number of Exemptions, Deferrals, and Credits by City and Town
2004

-Appendix 1

Municipality	cl. 17	cl. 17C	cl. 17C/12	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (t)	Work Off (t)	Total	cl. 17E Adopted	cl. 41D Adopted
TYRINGHAM								1	1				1		
UPTON						26			26						
UXBRIDGE				28	28			58	58	2			153	YES	YES
WAKEFIELD				59	59			67	67	7			492		
WALES				1	1		6		6		*		7		
WALPOLE	1			16	16			69	69	5		14	472		
WALTHAM				179	179		76		76	19			619		
WARE			55		55			33	33				120		
WAREHAM				98	98			109	109	2			298		
WARREN		6			6			31	31		18		55		
WARWICK							4		4		*		4		
WASHINGTON											*				
WASHINGTON				93	93			37	37	11		10	479		
WATERTOWN				11	11			35	35			40	247		
WAYLAND				58	58			139	139			44	241		
WEBSTER								46	46	45		7	184		YES
WELLESLEY				5	5			13	13	1		16	35		
WELLFLEET								4	4		*		4		
WENDELL								16	16	9		37	68		
WENHAM				20	20			42	42			65	135		
WEST BOYLSTON				36	36			40	40	12		55	143		
WEST BRIDGEWATER															
WEST BROOKFIELD				8	8		27		27			11	38		
WEST NEWBURY				153	153			6	6	3		33	50		
WEST SPRINGFIELD								146	146			166	485		
WEST STOCKBRIDGE												5	5		
WEST TISBURY				3	3			5	5	5		3	16		
WESTBOROUGH				7	7			46	46	4		160	235		
WESTFIELD				123	123			146	146			144	413		
WESTFORD				70	70			48	48	7		213	362		
WESTHAMPTON												14	14		
WESTMINSTER				14	14		30		30			18	67		
WESTON				45	45			12	12	14		21	53		
WESTPORT								111	111			31	187		
WESTWOOD				208	208			21	21	2		202	250		
WEYMOUTH								104	104	31		514	857		
WHATELY				4	4			6	6	6		9	19		
WHITMAN				45	45			54	54	3		159	261		
WILBRAHAM				18	18			32	32			141	198		
WILLIAMSBURG								27	27			32	61		
WILLIAMSTOWN				55	55		2					35	92		
WILMINGTON				122	122			145	145			179	466		
WINCHENDON				39	39			48	48			16	103		
WINCHESTER				18	18			44	44	30		202	294		

Appendix 1
 Type and Number of Exemptions, Deferrals, and Credits by City and Town
 2004

Municipality	cl. 17	cl. 17C	cl. 17C/1/2	cl. 17D	Total cls. 17s	cl. 41	cl. 41B	cl. 41C	Total cls. 41s	cl. 41A Deferral	Circuit Breaker (1)	Work Off (2)	Total	cl. 17E Adopted	cl. 41D Adopted
WINDSOR					7	1			1	6	139		157		1
WINTHROP			7		7	5			5		254		778		
WOBURN				279	279		231	650	929	14	4		1,610		
WORCESTER				368	368		1		1		10		11		
WORTHINGTON				9	9		23	23	23		64		96		
WRENTHAM			54		54		123	123	123	6	201	21	405		
Total	11	169	1,401	13,719	15,300	91	1,028	19,694	20,813	1,139	38,697	2,443	78,397		

Statistics	3	16	12	240	271	11	19	301	330	146	338	129	343	18	20
Number of Cities and Towns	1	1	2	1	4	1	1	1	1	1	3	1	1		
Minimum	2	4	27	23	20	6	11	37	33	5	65	14	135		
Median	8	47	607	1,697	1,697	26	283	1,230	1,230	82	1,003	116	3,937		
Maximum	4	11	117	57	56	8	54	65	63	8	120	19	229		
Average															

Notes:

- Data Source-The Massachusetts Department of Revenue as of November 2004 Except Work Off Data
- (1) Data Based on Tax Year 2003 Preliminary Totals as of October 2004. - Denotes Municipalities Reporting less than 3 Filers, and Amounts Are Included in Totals.
- Data for the Non-Municipal Classifications of "Unknown" and "Out of State" Are Not Presented.
- (2) Communities Accepting G. L. c. 59, s. 5K, But Had Yet To Implement the Program, Are Not Included. Data Source-Division of Local Mandates Municipal Survey.

September 30, 2003

To: Joint Committee on Taxation
From: Sudbury Property Tax Equity Review Committee

Relevant Information concerning Senior Citizens in Sudbury

Senior Housing and Income Characteristics, Aged 65+ (n=873),

- **Over 80% have lived in their homes since 1979.***
- **The average assessed value is approximately \$390,000 and the average property tax bill is \$6,533.***
- **Approximately 50% of senior households had an income of less than \$60,000 (1999, owner and renter occupied, aged 65+)***
- **The median income of residents under age 65 is \$132,500****
- **The median income of residents age 65+ is \$55,432****
- **The median household income for seniors aged 75 and over is \$27,692 (1999, owner and renter occupied)***

• ***From SUB-COMMITTEE B PRELIMINARY REPORT DATED 9/9/2003.**

• ****US Census, 2000**

Income of the Aged Chartbook, 2002

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- Percentage receiving Social Security benefits, by relative importance of benefits to total income
- Percentage receiving income from earnings and pensions, by age
- Percentage receiving income from major sources, by race and Hispanic origin
- Change in percentage receiving income from major sources

Total Money Income

- Percentage with various levels of income
- Percentage with various levels of income, by receipt of asset income
- Median income, by receipt of earnings and retirement benefits
- Median income and percentage distribution of aged units, by age, marital status, and sex of nonmarried persons
- Median income, by age
- Median income, by marital status, sex of nonmarried persons, race, and Hispanic origin
- Change in median income, by marital status and race

Shares of Aggregate Income

- Shares of aggregate income, by source
- Shares of aggregate income for the lowest and highest income quintiles, by source
- Change in shares of aggregate income, by source

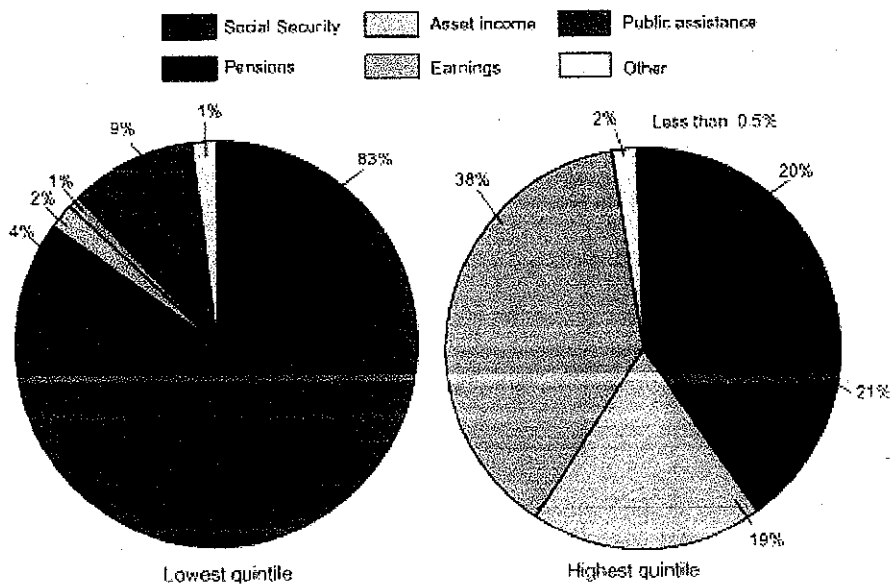
Poverty Status, Based on Family Income

- Poverty status, by marital status, sex of nonmarried persons, race, and Hispanic origin
- Poverty status, by age

Preface

Since 1941, the Social Security Administration (SSA) has periodically surveyed the aged to determine their economic status. The first national survey was conducted in 1963. In 1976, SSA's Office of Research and Statistics began compiling a biennial series of reports on the income of the aged based on data collected by the U.S. Census Bureau in its Current Population Survey. These SSA reports are published under the title *Income of the Population 55 or Older*. The most recent edition of that publication is based on 2002 data, which, along with special tabulations, form the basis of this chartbook.

Shares of aggregate income for the lowest and highest income quintiles, by source, 2002



NOTE: The quintile limits for aged units for 2002 are \$9,721, \$15,181, \$23,880, and \$40,982.

Massachusetts Individual Income Tax Statistics / 2004
 DRAFT --- VOID --- DRAFT --- VOID --- VOID --- VOID
 ALL UNDER 65 FILERS
 RENT FILERS EXCLUDED

Table II-3 Number of Returns and Amounts of Income, Deduction and Exemption by Class and Total,
 By Size of Massachusetts Net Adjusted Gross Income
 (Dollar amounts are in thousands.)

	Number of Returns		5.3% Income		12% Income		5.3% Capital Total (Mass. Net AGI)	
	Count	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Massachusetts Net Adjusted Gross Income								
Under \$5,000	1,016	-7,154	2	529				-6,624
\$5,000 under \$10,000	317	2,091	31	160				2,282
\$10,000 under \$15,000	111	1,408	4	111				1,522
\$15,000 under \$20,000	108	1,777	0	122				1,899
\$20,000 under \$25,000	89	1,793	2	178				1,973
\$25,000 under \$30,000	97	2,513	1	144				2,658
\$30,000 under \$35,000	77	2,411	41	55				2,507
\$35,000 under \$40,000	89	3,307	14	41				3,362
\$40,000 under \$45,000	77	3,161	2	125				3,289
\$45,000 under \$50,000	77	3,407	6	239				3,652
\$50,000 under \$60,000	150	8,015	27	209				8,252
\$60,000 under \$70,000	148	9,367	18	245				9,630
\$70,000 under \$80,000	135	9,959	7	191				10,157
\$80,000 under \$90,000	169	14,272	2	54				14,328
\$90,000 under \$100,000	171	16,028	7	220				16,256
\$100,000 under \$150,000	905	110,292	412	2,135				112,839
\$150,000 under \$200,000	675	114,599	522	2,074				117,195
\$200,000 under \$500,000	1,105	312,001	1,407	18,484				331,891
\$500,000 under \$1,000,000	289	173,876	1,801	18,925				194,603
\$1,000,000 or Over	135	302,116	14,239	80,387				396,742
Total	5,954	1,085,238	18,547	124,629				1,228,414
Under \$25,000	1,655	-86	39	1,099				1,053
\$25,000 under \$50,000	417	14,799	64	604				15,467
\$50,000 under \$100,000	773	57,641	63	920				58,623
\$100,000 or Over	3,109	1,012,884	18,381	122,005				1,153,270

NOTE: Detail may not add to total because of rounding.
 See Notes to Part II Tables for additional information and explanation of terms.
 SOURCE: Massachusetts Department of Revenue

Massachusetts Individual Income Tax Statistics / 2004
 DRAFT --- VOID --- DRAFT --- VOID --- VOID
 ALL OVER 65 Filers
 RENT FILERS EXCLUDED

Table II-3 Number of Returns and Amounts of Income, Deduction and Exemption by Class and Total,
 By Size of Massachusetts Net Adjusted Gross Income
 (Dollar amounts are in thousands.)

Massachusetts Net Adjusted Gross Income	Number of Returns		5.3% Income	12% Income	5.3% Capital Gain Income	Capital Total (Mass. Net AGI)
	Count	Count	\$,000	\$,000	\$,000	\$,000
Under \$5,000	100	-	-135	0	14	-120
\$5,000 under \$10,000	92	644	644	0	37	680
\$10,000 under \$15,000	66	787	787	3	44	834
\$15,000 under \$20,000	69	1,176	1,176	1	18	1,195
\$20,000 under \$25,000	58	1,247	1,247	1	33	1,280
\$25,000 under \$30,000	51	1,397	1,397	2	17	1,416
\$30,000 under \$35,000	42	1,341	1,341	3	25	1,370
\$35,000 under \$40,000	45	1,584	1,584	7	88	1,679
\$40,000 under \$45,000	40	1,620	1,620	13	62	1,695
\$45,000 under \$50,000	33	1,437	1,437	4	128	1,568
\$50,000 under \$60,000	74	3,897	3,897	11	128	4,035
\$60,000 under \$70,000	43	2,511	2,511	10	267	2,788
\$70,000 under \$80,000	27	1,340	1,340	1	95	2,036
\$80,000 under \$90,000	33	2,644	2,644	31	142	2,818
\$90,000 under \$100,000	22	1,934	1,934	7	134	2,075
\$100,000 under \$150,000	71	8,198	8,198	15	464	8,678
\$150,000 under \$200,000	37	5,664	5,664	32	710	6,406
\$200,000 under \$500,000	53	12,074	12,074	72	4,211	16,357
\$500,000 under \$1,000,000	9	2,502	2,502	476	2,642	5,620
\$1,000,000 or Over	5	2,886	2,886	17	7,164	10,067
Total	970	55,348	55,348	707	16,423	72,477
Under \$25,000	385	3,718	3,718	6	146	3,869
\$25,000 under \$50,000	211	7,379	7,379	30	320	7,729
\$50,000 under \$100,000	199	12,925	12,925	61	766	13,753
\$100,000 or Over	175	31,325	31,325	611	15,190	47,127

NOTE: Detail may not add to total because of rounding.
 See Notes to Part II Tables for additional information and explanation of terms.
 SOURCE: Massachusetts Department of Revenue

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495

Massachusetts Individual Income Tax Statistics / 2004
 DRAFT --- VOID --- DRAFT --- VOID --- DRAFT --- VOID
 ALL CIRCUIT BREAKER CREDIT FILERS
 RENT FILERS EXCLUDED

Table II-3 Number of Returns and Amounts of Income, Deduction and Exemption by Class and Total,
 By Size of Massachusetts Net Adjusted Gross Income
 (Dollar amounts are in thousands.)

Massachusetts Net Adjusted Gross Income	Number of Returns		5.3% Income		12% Income		5.3% Capital Total (Mass. Gain Income		Net AGI)	
	Count	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Under \$5,000	34		72		0		3		75	
\$5,000 under \$10,000	32		223		0		9		232	
\$10,000 under \$15,000	31		372		0		6		378	
\$15,000 under \$20,000	24		398		0		3		401	
\$20,000 under \$25,000	11		240		1		7		248	
\$25,000 under \$30,000	8		217		0		3		220	
\$30,000 under \$35,000	6		193		0		2		194	
\$35,000 under \$40,000	6		201		7		14		222	
\$40,000 under \$45,000	3		117		0		6		123	
Total	155		2,032		9		52		2,092	
Under \$25,000	132		1,304		1		28		1,333	
\$25,000 under \$50,000	23		727		7		24		759	

NOTE: Detail may not add to total because of rounding.
 See Notes to Part II Tables for additional information and explanation of terms.
 SOURCE: Massachusetts Department of Revenue

Massachusetts Individual Income Tax Statistics / 2004

All Under 65 Filers and Excluded All Renters

Table I-9 Distribution of Income and Taxes by Income Quintile with Percent and Cumulative Percent Distributions and Tax Burden Ratios (Dollar amounts are in thousands.)

Massachusetts Net Adjusted Gross Income Quintile	Number of Returns	Percent Distribution			Cumulative Percent Distribution			
		Total Income	Total Taxes	Number of Returns	Total Income	Total Taxes	Number of Returns	
Lowest 20% - Under \$7,321	1,191	\$ (5,653)	\$ 36	20.0 %	-0.5 %	20.0 %	-0.5 %	0.1 %
Second 20% - \$7,321 to \$70,843	1,191	40,798	1,560	20.0	3.3	40.0	2.9	2.6
Third 20% - \$70,843 to \$138,974	1,191	127,231	5,729	20.0	10.4	60.0	13.2	12.0
Fourth 20% - \$138,974 to \$240,359	1,191	216,999	10,344	20.0	17.7	80.0	30.9	29.0
Highest 20% - \$240,359 and over	1,190	648,939	43,244	20.0	68.1	100.0	100.0	100.0
Total	5,954	\$ 1,228,414	\$ 60,914	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Addendum:	Percent Distribution			Cumulative Percent Distribution		
	Total Income	Total Taxes	Number of Returns	Total Income	Total Taxes	Number of Returns
Top 10 % - \$400,650 and over	\$ 667,662	\$ 34,365	10.0 %	54.4 %	56.4 %	-
Top 5 % - \$623,252 and over	521,744	27,151	5.0	42.5	44.6	-
Top 1 % - \$1,806,965 and over	300,119	16,076	1.0	24.4	26.4	-

NOTE: Detail may not add to total because of rounding.
See Notes to Part II Tables for additional information and explanation of terms.
SOURCE: Massachusetts Department of Revenue

Median 105.4K

Massachusetts Individual Income Tax Statistics / 2004

All Over 65 Filers and Excluded All Renters

Table II-9 Distribution of Income and Taxes by Income Quintile with Percent and Cumulative Percent Distributions and Tax Burden Ratios (Dollar amounts are in thousands.)

Massachusetts Net Adjusted Gross Income Quintile	Number of Returns	Total Income	Total Taxes	Percent Distribution			Cumulative Percent Distribution		
				Number of Returns	Total Income	Total Taxes	Number of Returns	Total Income	Total Taxes
Lowest 20% - Under \$10,156	194	\$ 580	\$ 10	20.0 %	0.8 %	0.3 %	20.0 %	0.8 %	0.3 %
Second 20% - \$10,156 to \$25,207	194	3,364	77	20.0	4.6	2.4	40.0	5.4	2.7
Third 20% - \$25,207 to \$47,939	194	6,969	252	20.0	9.6	7.7	60.0	15.1	10.3
Fourth 20% - \$47,939 to \$90,611	194	12,633	543	20.0	17.4	16.5	80.0	32.5	26.9
Highest 20% - \$90,611 and over	194	48,931	2,400	20.0	67.5	73.1	100.0	100.0	100.0
Total	970	\$ 72,477	\$ 3,282	100.0 %	100.0 %	100.0 %	-	-	-

Addendum:	
Top 10 % - \$159,667 and over	97 \$ 37,372 \$ 1,863 10.0 % 51.6 % 56.8 %
Top 5 % - \$284,287 and over	49 27,908 1,389 5.0 38.5 42.3
Top 1 % - \$576,514 and over	10 13,535 658 1.0 18.7 20.0

NOTE: Detail may not add to total because of rounding.
See Notes to Part II Tables for additional information and explanation of terms.
SOURCE: Massachusetts Department of Revenue

*median? 351M
+ SS 251M
611M*

Massachusetts Individual Income Tax Statistics / 2004

Filers Age 65 or Over

Table II-17 Number Distribution of Returns Filed
By Filing Status (Single, Joint, Married Filing Separately and Head of Household) and
By Size of Massachusetts Net Adjusted Gross Income

Massachusetts Net Adjusted Gross Income	Total Number of Returns		Single Returns		Joint Returns Total		Joint One Over 65		Joint Both Over 65		M.F.S. Returns		H.O.H. Returns		Total Number of Persons Over 65
	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count		
Under \$5,000	100	66	29	7	22	**	4	122							
\$5,000 under \$10,000	92	57	29	4	25	3	3	117							
\$10,000 under \$15,000	66	36	26	3	23	.	4	89							
\$15,000 under \$20,000	69	34	30	5	25	**	3	94							
\$20,000 under \$25,000	58	23	33	7	26	**	**	84							
\$25,000 under \$30,000	51	27	21	4	17	**	**	68							
\$30,000 under \$35,000	42	16	25	7	18	**	.	60							
\$35,000 under \$40,000	45	13	30	6	24	**	**	69							
\$40,000 under \$45,000	40	13	24	**	22	.	3	62							
\$45,000 under \$50,000	33	8	23	6	17	.	**	50							
\$50,000 under \$60,000	74	21	49	10	39	**	3	113							
\$60,000 under \$70,000	43	4	37	16	21	**	**	64							
\$70,000 under \$80,000	27	6	20	7	13	.	**	40							
\$80,000 under \$90,000	33	5	28	8	20	.	.	53							
\$90,000 under \$100,000	22	**	21	12	9	.	.	31							
\$100,000 under \$150,000	71	5	64	31	33	**	**	104							
\$150,000 under \$200,000	37	5	31	14	17	.	**	54							
\$200,000 under \$500,000	53	5	47	21	26	**	.	79							
\$500,000 under \$1,000,000	9	**	7	**	5	.	.	14							
\$1,000,000 or Over	5	**	3	3	.	.	.	5							
Total	970	349	577	175	402	15	29	1,372							
Under \$25,000	385	216	147	26	121	7	15	506							
\$25,000 under \$50,000	211	77	123	25	98	4	7	309							
\$50,000 under \$100,000	199	37	155	53	102	**	**	301							
\$100,000 or Over	175	19	152	71	81	**	**	256							

NOTE: Detail may not add to total because of rounding.

See Notes to Part II Tables for additional information and explanation of terms.

SOURCE: Massachusetts Department of Revenue

** : Disclosure rules prevent the release of this information in situations where the data reflects fewer than three taxpayers.

Dave Levington

From: "Tully, John" <tullyj@dor.state.ma.us>
To: <Dlevington@alum.mit.edu>
Cc: "Murphy, John Paul" <murphyjo@dor.state.ma.us>
Sent: Tuesday, November 27, 2007 12:18 PM
Attach: 5B@K01!.DOC
Subject: SUDBURY COMMITTEE ON TAX DEFERRAL IL

<<5B@K01!.DOC>>

Dear Mr. Levington,

Please find the Department of Revenue's response to you recent question in the attached document.

This e-mail response is an "information letter" within the meaning of the Letter Ruling Regulation, 830 CMR 62C.3.2. It is intended to provide general information such as the potential applicability of DOR public written statements or well-established principles of tax law, but it is not intended to provide authoritative guidance on the application of the tax laws to a specific set of facts. This response is not a "ruling" or "letter ruling" that is legally binding on the Department.

JET

John E. Tully
Tax Counsel
Commonwealth of Massachusetts
Department of Revenue
Ruling and Regulations Bureau
tullyj@dor.state.ma.us
617-626-3250

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11/27/2007



Massachusetts

The Commonwealth

Department of Revenue
Rulings and Regulations Bureau
100 Cambridge Street - P.O. Box 9566
Boston, Massachusetts 02114-9566

HENRY DORMITZER
COMMISSIONER

MICHAEL T. FATALE
CHIEF

December 12, 2007

Dave Levington
Tax Deferral Study Committee
Town of Sudbury

Dear Mr. Levington,

Your recent inquiry was referred to me for a response. You ask if an otherwise qualified taxpayer that has taken advantage of the Commonwealth's real estate tax deferral program under M.G.L. c. 59, § 5, cl. 41A may also claim a refundable credit pursuant to M.G.L. c. 62, § 6 (k) (Circuit Breaker).

Massachusetts General Laws chapter 62, § 6 (k) (1) for purposes of the credit defined a "Real estate tax payment" as "the real estate tax levied pursuant to chapter 59 on the taxpayer's residence and **actually paid by the taxpayer during the taxable year**, including water and sewer debt service charges assessed pursuant to subsection (n) of section 21C of chapter 59, exclusive of special assessments and delinquent interest, and less any abatement granted. ..." See also, TIR 01-19. Deferred tax payments do not qualify as actual taxes paid and may not be included in the calculation of the circuit breaker credit. However, if a taxpayer only deferred a portion of the real estate tax and paid a portion, they could potentially claim the credit by using the amount of tax actually paid in the credit calculation.

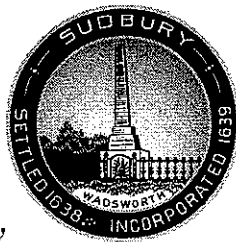
In order to change how the circuit breaker is calculated or to include deferred payments in the definition of real estate tax payment, an individual, the Town or a legislator would have to file legislation to amend the statute, as this type of change may not be addressed in a Home Rule petition.

This is an "information letter" within the meaning of the Letter Ruling Regulation, 830 CMR 62C.3.2 (2) (b). An information letter calls your attention to established principles of tax law and is informational only. It does not analyze a specific set of facts, and you are not entitled to rely upon an information letter in any dispute arising under the facts outlined in your letter.

If you have any additional questions, please call me 617-626-3250.

Very truly yours,

/S/ **JOHN E. TULLY**
John E. Tully, Counsel
Rulings and Regulations
Bureau



Town of Sudbury
278 Old Sudbury Rd.

Board of Assessors
Sudbury, MA. 01776

Fiscal Year 2008 Clause 41A Tax Deferral

The Fiscal Year 2008 Interest Rate for any taxes deferred under Cl 41A has been set at 2.5% (same as last year)

In an effort to streamline the application process for fiscal year 2008, we are mailing renewal applications to all who applied and qualified for the tax deferral program last year. In the event that you once again meet the eligibility requirements, and opt to defer the fiscal year 2008 taxes, please return the completed application to:

*Town of Sudbury
Assessors Office
278 Old Sudbury Rd.
Sudbury, MA. 01776*

Fiscal Year 2008 Statutory Exemptions

The enclosed brochure indicates the latest information available regarding Statutory Exemptions. In the event that you have not in the past qualified for any exemption but do now, please call and we will mail you an exemption application form. Exemptions and deferrals may be processed in conjunction with one another.

Community Preservation Surcharge Exemption

In the event that your income meets the requirement for exemption, we will automatically process that in conjunction with the deferral. Should you choose not to defer your taxes this year you will need to file a separate Community Preservation application with our office (please call and we will mail one out to you).

A few things to keep in mind relative to Clause 41A tax deferral:

- ***An annual application is required (you must timely file an application annually).***
- ***The deferral relates to the entire fiscal year (7/1/2007 through 6/30/2008), not to individual quarterly bills. Inasmuch we ask that you do not make partial quarterly payments in anticipation of deferring. If you opt to defer a portion of a tax bill, it is advisable to make the payments as billed, and once the deferral is applied any overpayments will be refunded to you.***
- ***Deferrals as well as exemptions may be processed once the actual bills are generated for the year. It is generally the 3rd quarter bill issued on or about January 1st.***

*Office hours are 8:30 a.m. to 4:00 p.m. Monday through Friday. Any questions?
Give a call 978-639-3393.*

THE COMMONWEALTH OF MASSACHUSETTS
TOWN OF SUDBURY

TAX DEFERRAL AND RECOVERY AGREEMENT

This agreement is made and entered into this ____ Day of _____, 20__ by and between the Board of Assessors (the Assessors") of the Town of Sudbury acting on behalf of the Town and _____ ("the Owners").

WITNESSETH

WHEREAS, The General Laws Chapter 59, Section 5, Clause 41A allows qualifying property owners to defer payment of local property taxes if they enter into a tax deferral and recovery agreement with the board of assessors acting on behalf on the town; and

WHEREAS, the Owner seeks to defer payment of local property taxes on the real property described below;

DESCRIPTION OF PROPERTY

Location: _____
Deed Book: _____ Deed Page: _____
Recording/Registration Date: _____
Parcel Identification: Assessors Map _____ Parcel _____

NOW THEREFORE, in consideration of the granting of a property tax deferral by the Assessors, the Assessors and the Owner agree as follows;

1. The Owner will not sell or transfer the property described above unless all taxes deferred under General Laws Chapter 59, Section 5, Clause 41A have been paid together with interest at the rate set forth in that statute.
2. The total amount of deferred taxes, plus interest, will at no time be more than fifty percent of the Owner's proportionate share of the full and fair cash value of the property.
3. Upon the Owner's death, the heirs-at-law, assignees or devisees will have first priority to the property by paying in full the total amount of deferred taxes, unless the heir-at-law, assignee or devisee is a surviving spouse who qualifies for a deferral and enters into a new tax deferral and recovery agreement under General Laws Chapter 59, Section 5, and Clause 41A. If so, the deferred taxes and interest due will be added to any additional taxes that are deferred under the new agreement signed by the surviving spouse. The total amount of deferred taxes, plus interest, subject to the fifty percent limitation in Paragraph 2 will include all taxes deferred, plus interest, under both this agreement and the new agreement signed by the surviving spouse.

THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE.

4. The Assessors will record a statement at the Registry of Deeds making the deferred taxes, plus interest, a lien on the property. The amount of the recording fee, if any, will be added to and become part of the deferred taxes. If the deferred taxes, plus interest, are not paid as provided in this agreement, the interest rate set forth in General Laws Chapter 60, Section 62 will apply from the date the property was sold or the Owner died, whichever is applicable, and recovery of the amount owed will be enforced as provided by law.
5. Every other person with any legal or beneficial interest in the property has given written approval for this agreement. That approval is attached as Schedule A, which is made a part of this agreement.

IN WITNESS WHEREOF, the Owner and Assessors have signed this agreement on the date first written above.

WITNESS

Owner

BOARD OF ASSESSORS
TOWN OF SUDBURY

SCHEDULE A APPROVAL

The following persons having legal or beneficial interest in the property described above hereby approve the execution of this tax deferral and recovery agreement.

WITNESS

PERSON

20

THE COMMONWEALTH OF MASSACHUSETTS

Middlesex ss.

On this _____ day of _____, 20 before me, the undersigned notary public, personally appeared the above named _____ proved to me through satisfactory evidence or identification, which were _____, to be the person(s) whose names are executed on the preceding or attached document, and acknowledged to me that they executed it voluntarily for its stated purpose.

Notary Public

My Commission expires

THE COMMONWEALTH OF MASSACHUSETTS

TOWN OF SUDBURY

SENIOR 60 AND OLDER

FY 2008 APPLICATION FOR PROPERTY TAX DEFERRAL [Chapter 320 of the Acts of 2002](#)

General Laws Chapter 59, Section 5, Clause 41A

{ THIS APPLICATION IS NOT
OPEN TO PUBLIC INSPECTION

(See General Laws Chapter 59 Section 60)

Must be filed with Board of Assessors on or before December 15 or 3 months
after actual (not preliminary) tax bills are mailed for fiscal year if later.
Tax Deferral and Recovery Agreement Form 97-I must accompany application
unless already on file and persons with interest in property remain the same

{ }

INSTRUCTIONS: Complete all sections fully.

A. IDENTIFICATION

Name of Applicant _____

Social Security No (optional). _____ Marital Status _____ Date of Birth _____

(If first year of application, attach copy of birth certificate)

Legal Residence (Domicile) on July 1, 2007 _____

Mailing Address (If different) _____ Tel. No. _____

Location of Property _____ No. of Dwelling Units _____

Did you own and occupy the property as your domicile on July 1, 2007?

Have you been granted any exemption in any other city or town for this year?

Yes No If yes, name of city or town _____ Amount exempted _____

Amount of tax you are seeking to defer this year \$ _____ (either in dollar amount or % of tax)

(DISPOSITION OF APPLICATION (ASSESSORS' USE ONLY)

GRANTED Assessed Tax _____

DENIED Deferred Tax _____

DEEMED DENIED Adjusted Tax _____

Date Voted/Deemed Denied _____

Certificate No. _____ Date Sent _____ Filing this form does not stay the collection of
your tax.

B. PERSONS WITH INTEREST IN PROPERTY.

Did you own the property on **July 1, 2007** as: (please circle or underline answers)

Sole Owner, Co-owner with Spouse Only, or Co-Owner with Others ?

Was there a mortgage on the property as of **July 1, 2007** ? Yes No If yes, Amount Due on Mortgage (s)_____

Name of Mortgagee(s)_____

Was property subject to a life estate as of **July 1, 2007**? Yes No If yes, Name(s) of Remainder men (Person(s) receiving property after your death)_____

Was property subject to a trust as of **July 1, 2007** ? Yes No

(If yes, and this is your first year of application, attach trust instrument including all schedules.)

C. GROSS RECEIPTS FROM ALL SOURCES IN PRECEDING CALENDAR YEAR.

Copies of your federal and state income tax returns may be requested to verify your income: (**calendar year 2006 income**)

	Applicant and Spouse	Co-Owner(s) and Spouse
Retirement Benefits (Social Security, Railroad, Federal, Mass, and Political Subdivisions)	_____	_____
Other Pensions and Retirement Allowances	_____	_____
Wages, Salaries and other Compensation	_____	_____
Net Profits from Business or Profession	_____	_____
Interest and Dividends	_____	_____
Other Receipts (Rent, Capital Gains, etc.)	_____	_____
TOTALS	_____	_____

D. SIGNATURE. Sign here to complete the application.

This application has been prepared or examined by me. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief, it and all accompanying documents and statements are true, correct and complete.

Your Signature

Date

If signed by agent, attach copy of written authorization to sign on behalf of taxpayer.

TAXPAYER INFORMATION ABOUT PROPERTY TAX DEFERRAL

Chapter 320 of the Acts of 2002 resulted in the following changes (in red) applicable to Town of Sudbury Tax Deferral Program. Please note to the best of our knowledge the changes only pertain to Sudbury. Massachusetts General Laws Chapter 59 Section 5, Clause 41A should be consulted for the guidelines regulating other municipalities.

You may be eligible to defer payment of all or a portion of the taxes assessed on property you own and occupy as your domicile if you meet certain age, ownership, residency and income qualifications, and enter into a tax deferral agreement with the Board of Assessors. If you also qualify for a personal exemption, you may defer all or a portion of the remaining taxes on the property.

REPAYMENT: Unlike an exemption, a tax deferral simply allows you to postpone payment of your taxes. If you qualify, you must enter into a tax deferral agreement that requires the deferred taxes along with interest to be repaid in full (when the property is sold or transferred, (2) upon your death, or (3) upon the death of your surviving spouse if he or she qualifies for a deferral and enters into a new tax deferral agreement. Anyone having any legal or beneficial interest in the property must also approve the tax deferral agreements.

Once you have entered into a tax deferral agreement, the assessors will record a statement at the Registry of Deeds. That statement continues the lien that already exists on your property by law to ensure the payment and collection of your taxes. Once the deferred taxes are repaid the lien is released. However, if the deferred taxes are not repaid when due, your city or town will then be able to recover the amount by foreclosing on the lien in Land Court.

INTEREST: If you qualify for a deferral in subsequent years. You may defer taxes until the amount due, including accrued interest, equals 50% of your share of the full and fair cash value of the property. Interest at an annual rate (set by the Board of Selectmen) is charged on deferred taxes until the property is sold, your death, or the death of your surviving spouse if a new agreement has been entered into. The interest rate then increases to 16% per annum until the deferred taxes are repaid. One of the provisions of Chapter 320 of the Acts of 2002 allows for the Selectmen to set a yearly interest rate. The Fiscal Year **2008** rate applicable to **2008** deferred tax payback is **2.5%**.

WHO MAY FILE AN APPLICATION? You may file an application if as of July first you:

- Are **60** or older,
- Owned and occupied the property as your domicile,
- Have an annual income not more than \$20,000, or not more than a locally adopted income limit. Locally adopted income limits cannot be more than \$40,000. Your Board of Assessors can tell you the limit that applies in your community. **Town of Sudbury income limit (married or single) \$60,000**

WHEN AND WHERE APPLICATION MUST BE FILED. Your application must be filed with the Board of Assessors by December 15 or 3 months after the actual tax bills were mailed for the fiscal year whichever is later. **THIS DEADLINE CANNOT BE EXTENDED OR WAIVED BY THE ASSESSORS FOR ANY REASON. IF YOUR APPLICATION IS NOT TIMELY FILED, YOU LOSE ALL RIGHTS TO A DEFERRAL AND THE ASSESSORS CANNOT BY LAW GRANT YOU ONE. AN APPLICATION IS FILED WHEN RECEIVED BY THE ASSESSORS.**

PAYMENT OF TAX. Filing an application does not stay the collection of your taxes. In some cases, you must pay the tax when due to appeal the assessors' disposition of your application. Failure to pay the tax when due may also subject you to interest charges and collection action. To avoid any loss of rights or additional charges, you should pay the tax as assessed. If a deferral is granted and you have already paid the entire year's tax as exempted, you will receive a refund of any overpayment.

ASSESSORS DISPOSITION. Upon applying for a deferral, you may be required to provide the assessors with further information and supporting documentation to establish your eligibility. The assessors have 3 months from the date your application is filed to act on it unless you agree in writing before that period expires to extend it for a specific time. If the assessors do not act on your application within the original or extended period, it is deemed denied. You will be notified in writing whether an exemption has been granted or denied.

APPEAL. You may appeal the disposition of your application. The disposition notice will provide you with further information about the appeal procedure and deadline.

MORE DETAILED INFORMATION ABOUT THE TAX DEFERRAL MAY BE OBTAINED FROM YOUR BOARD OF ASSESSORS.