



## 2008 TAX RELIEF GUIDE FOR SENIORS

*Are you eligible?*

**Y**ou could be saving hundreds or even thousands of tax dollars each year, but you may not be not aware of the many breaks available. This publication, prepared by the **Sudbury Council on Aging**, can help you determine if you are eligible. This guide is for all homeowners aged 60 and older living in Sudbury. You can read it on line, or print it out as you choose.

### Available Local Exemptions

If you are a senior resident of Sudbury, you may qualify for one of the following local tax exemptions. However, since only one of these exemptions is permitted in any fiscal year, study them carefully, and choose the one that provides the maximum benefit to you.

- **Elderly person over age 65:** Exemption of **\$1,000**. [Click here](#) for details, or go to page 2.
- **Elderly person over age 70** or surviving spouse. Exemption of **\$255.12**. [Click here](#) for details or go to page 3.
- **Blind persons:** An exemption of **\$500**. [Click here](#) for details or go to page 3.
- **Disabled veterans:** Exemption from between **\$400** and a total exemption. [Click here](#) for more details or go to page 4.
- **Surviving spouse** of a police officer or fire fighter.

*In addition to any ONE of the exemptions listed above, eligible residents may add either or both of the following:*

- **Exemption** from the 3% surcharge for the Community Preservation Fund. [Click here](#) for more details or go to page 4.
- **Tax deferral.** [Click here](#) for more details or go to page 5.

*If you are eligible, the following additional local options may be considered:*

- An exemption of up to \$750 through the **Sudbury Senior Community Work Program.** [Click here](#) for more details or go to page 6.
- **Hardship exemption:** persons who are facing an unforeseen financial hardship and medical condition in a given year may request tax relief in the form of a *Clause 18 exemption*. The decision to grant this exemption is made solely at the discretion of the Assessor's Office.

Applications for all of the above local exemptions, with the exception of the Sudbury Senior Community Work Program, must be filed with the Assessor's Office between January 1 and March 31. Applications for the Community Work Program should be filed at the Senior Center before November 15 in order to apply for the following year.

### **Available State Exemption**

The *Senior Circuit Breaker Tax Credit* is administered by the Commonwealth of Massachusetts and can provide up to \$900 (in 2008). [Click here](#) for more details or go to page 6.

### **Elderly Person over 65**

An exemption of \$1,000 can be claimed from your property tax bill if you meet all of the following criteria:

- You are age 65 or older;
- Your gross receipts (income) is not more than \$29,992 if single or \$34,490 if married (to get to this amount you may be able to use the Social Security exclusion, subtracting \$3,841 from your income if you are single, or \$5,762 if you are married);

- Your assets (things you own other than the home in which you live) are valued at less than \$45,987 if you are single or \$63,232.92 if you are married;
- You have lived in your Sudbury home for the past five years or more, and in Massachusetts for the past ten years or more.

In order to receive this exemption, called **Clause 41C**, you should complete an application and file it with the Assessor's office.

### **Elderly Person over 70**

An exemption of **\$255.62** can be claimed from your property tax bill if you meet all of the following criteria (there is no income eligibility requirement):

- You are age 70 or older or the surviving spouse of someone 70 or older;
- You have owned and occupied your Sudbury home for at least the last five years;
- Your assets (things you own other than the home in which you live) are valued at not more than \$49,249.42.

In order to receive this exemption, called **Clause 17E**, you should complete an application and file it with the Assessor's office.

### **Blind Persons**

Persons who are legally blind may receive an exemption of **\$500** from your property tax bill if you meet all of the following criteria (there are no income or whole estate restrictions):

- ☀ Annually, you must provide a *Certificate of Blindness* from the Massachusetts Commission on Blindness.
- ☀ You must own and occupy the property as your primary residence.

In order to receive this exemption, called **Clause 37A**, you should complete an application and file it with the Assessor's office.

## Disabled Veterans

Exemptions vary from **\$400** up to a **full exemption**. There are no income or asset restrictions. The parent of a serviceperson who lost his or her life during wartime is also eligible.

The eligibility requirements are:

- You must be a veteran or spouse, or a surviving spouse of a veteran.
- The veteran must have had a service-connected disability of at least ten percent (as verified by the Veteran's Administration) or must have been awarded the Purple Heart.
- The veteran must have lived in Massachusetts for at least the past five years or must have lived in Massachusetts for at least six months prior to entering the service.

In order to receive this exemption, called **Clause 22**, you should complete an application and file it with the Assessor's office.

## Community Preservation Fund (CPF) Surcharge Exemption

The Community Preservation Act provides funding for the purpose of preserving open space, historical preservation, and community housing projects and purchases. It is financed by a surcharge on property taxes with matching funds from the state.

For senior citizens, the eligibility requirements for full CPF exemption are as follows:

- ✿ You must be at least 60 years of age as of July 1 of the tax year.
- ✿ Your income must not exceed \$57,680 for single person households, \$65,920 for two-member households, and up to \$108,768 for an eight member household.

In order to receive this exemption you must complete an application and file it with the Assessor's office.

## Tax Deferral

Any or all of the property taxes assessed may be deferred (not exempted), with interest, until such time as the property is sold or transferred, or until the death of the owner, at which point the taxes and interest must be paid. The cumulative total of the taxes deferred cannot exceed 50% of the applicant's share of the assessed value of the property. For the year 2008, the interest rate is 2.5%, and it is simple, (not compounded) interest. There are no asset restrictions.

Eligibility requirements:

- You must be at least 60 years of age as of July 1 of the tax year.
- Your gross receipts (income) from all sources in the previous year cannot be more than \$60,000.

### *Why is this an attractive option?*

This deferral is, in effect, a low-cost alternative to a reverse mortgage, but without the high costs imposed by financial institutions. It enables you to take some of the equity out of your home and enjoy it now. Some important features are:

- The current interest rate is only 2.5%. While in future years this rate may change, the interest on any deferral you make now will remain at 2.5%.
- The interest is simple – not compound – interest. This means there is no “interest on the interest”. The savings from this can be significant over time.
- Real estate values in Sudbury have risen in most past years. While there is no guarantee that they will continue to rise, it is likely that the value of your estate will increase over time, even if you defer some or all of your taxes.





In order to receive a deferral, called **Clause 41A**, you should complete an application and file it with the Assessor's office.

## **Tax Work-Off Program (Sudbury Senior Community Work Program)**

This popular service program provides up to **\$750** of property tax relief to qualified people age 60 and older by placing them in a variety of jobs that support Town Departments.

Placements may occur in schools, library, the Senior Center, the Town Hall or Offices, the Department of Public Works, and other participating departments. Possible jobs include accepting and filing permits, word processing, data entry, general clerical work, organizing files, receptionist, collating and envelope stuffing, drafting, building maintenance (such as painting or repair), and technology jobs such as software installation, networking, and writing training manuals and procedures.

To be eligible you must meet the following criteria:

-  Own and live in a Sudbury home for which taxes are due;
-  Be age 60 or older;
-  Be willing to commit to 100 hours of service a year;
-  Have appropriate skills to work successfully in a Town department.

Applicants who meet eligibility requirements and have appropriate skills and qualifications will have a final interview with the department heads that will make the choice of applicants. *All qualities being equal, preference is given to those in greatest financial need.*

Applications should be filled out and returned to the Senior Center no later than November 15, for work to begin the next calendar year. Call the Senior Center at 978-443-3055 for more information. This program is administered through the Council on Aging.

## **Senior “Circuit Breaker” Tax Credit from the Commonwealth of Massachusetts**

If your property taxes plus 50% of your water charges are taking more than 10% of your gross income, you may be eligible for up to a \$900 credit from the state. There are no asset restrictions.

Eligibility criteria for 2007 are listed below (they will probably change for tax year 2008):

- You must be 65 years of age or older.
- The assessed value of your residence in 2007 is less than \$772,000.
- Your total income is less than \$48,000 for a single individual, \$60,000 for a head of household, or \$72,000 if married and filing jointly.
- The sum of your property taxes plus 50% of your water charges is greater than 10% of your gross income.

*How it works:*

As an example, if your gross income as a single person is \$35,000 per year, then 10% of that figure would be \$3,500. If the sum of your tax bill plus your water charge is higher than that, the state will reimburse you anything over \$3,500 – up to a maximum of \$900.

*How do you claim your reimbursement?*

Taxpayers who are eligible for the tax credit should claim the credit when they file their state income tax return. If you are eligible but do not normally file a state income tax return, you may obtain the refund by filing a return and claiming the exemption.

The Sudbury Senior Center has volunteer tax preparers who will help you with the process from mid-February through April 15 each year.

Please note that this exemption is not administered through the Town of Sudbury. It is a state program administered by the Commonwealth of Massachusetts.

For more information, contact the Commonwealth of Massachusetts Department of Revenue at 617-877-MDOR or at 1-800-392-6089.

You can also access the department's website at: [www.dor.state.ma.us](http://www.dor.state.ma.us)

**NOTE:** The information in this publication is provided by the **Sudbury Council on Aging** as an informal summary of applicable laws regarding tax exemption. We believe all the information to be correct as of May 2008, but it is subject to change.



*For more information contact the Sudbury Senior Center at:*

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