

Fiscal Year 2023

Property Tax Relief Programs

You may be eligible for tax relief!

This packet lists available programs which may reduce your tax bill, their eligibility requirements, and instructions for applying.



Board of Assessors

Carol Leipner Srebnick, Chair
Susan Miller
Leo Fochtman

Staff

Brian McMullen, Principal Assessor
Marty Abbott, Administrative Assistant
Brian Corcoran, Property Lister
Ellie Anderson, Finance Solutions Analyst

Contact Information

Assessor's Office

Address:

Town of Acton
472 Main St.
Acton, MA 01720

Hours:

| | |
|------------|-------------|
| Monday: | 8:00- 5:00 |
| Tuesday: | 8:00- 7:30 |
| Wednesday: | 8:00- 5:00 |
| Thursday: | 8:00- 5:00 |
| Friday: | 8:00- 12:00 |

Phone: 978-929-6621

Email: assessor@actonma.gov

**The filing deadline for all exemptions listed is
April 1, 2023 per Massachusetts General Law.**

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Local Property Tax Exemptions for Acton Citizens

Residents are allowed one of the following exemptions per tax year.

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Notes:

- Exemptions which reference clauses are offered by the Town of Acton, but governed under Massachusetts General Law Chapter 59, Section 5. The clause numbers refer to specific clauses under this statute.
- If your home is held in a trust, you must provide a copy of the declaration of trust showing that you are a trustee and a copy of the schedule of beneficiaries showing that you have a beneficial interest.

Please submit a copy of your 2021 federal tax return with your exemption application.

Clause 41C: Persons over 65 years old

Detailed Information for Fiscal Year 2023

Income and asset parameters increase annually with the cost of living adjustment

| | |
|-------------------------|--|
| Age | You or your spouse must be 65 or older on July 1, 2022 for Fiscal Year 2023 |
| Benefit | Minimum \$1,000 reduction in property tax. Does not have to be repaid. |
| Income | <ul style="list-style-type: none"> Your total income must be under \$41,754* for single homeowners, or \$62,631* for married homeowners for Fiscal Year 2023. Your income from 2021 is used to qualify for Fiscal Year 2023 exemptions. |
| Assets | <p>Your Whole Estate must be under \$73,106* for single homeowners, \$100,520* for married homeowners.</p> <ul style="list-style-type: none"> Whole Estate includes: -Total of all savings accounts, checking accounts, certificates of deposit, IRA accounts, annuities, stocks and bonds as of July 1, 2022 -Any real estate other than your Acton primary residence. Your primary residence, vehicles, personal effects and cemetery plots are not counted or included. |
| Ownership and Residency | <ul style="list-style-type: none"> Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2022 You must have <i>owned and occupied</i> your current home for the past five years as of July 1, 2022 If your home is held in trust, you must provide a copy of both the declaration of trust and the schedule of beneficiaries showing that you are a trustee and have a beneficial interest. If you are a joint owner with a non-spouse or your home is a multi-unit dwelling, contact the Assessor's office for further information |
| To Apply | Contact the Assessor's office at 978-929-6621 for an application. Filing deadline for FY2023 is April 1, 2023. |

Example of Income Computation for Persons over Age 65

Clause 41C Application

| Gross receipts for preceding calendar year | Applicant and Spouse | Co-Owner (s) and Spouse |
|--|----------------------|-------------------------|
| Retirement benefits (Social Security, Railroad, Federal, Massachusetts and political subdivisions) | \$35,400 | |
| Other pensions and retirement allowances | | |
| Net profits from business or profession | | |
| Wages, salaries and other compensation | \$1,200 | |
| Interest and dividends (from bank accounts and stocks) | \$250 | |
| Other receipts (rent, capital gains, etc.) | | |
| TOTAL | \$36,850 | |
| “Social Security <u>Deduction</u> ” for married couple | - \$5,895 | |
| Adjusted annual income (receipts) | \$30,955 | |

Clause 17D: Surviving Spouses or Persons over 70 Years Old

Detailed Information for Fiscal Year 2023

Income and asset parameters increase annually with the cost of living adjustment

| | |
|-------------------------|--|
| Age | You must be 70 years or older on July 1, 2022 for Fiscal Year 2023 |
| Benefit | Minimum \$319.85 to maximum \$639.69 reduction in property tax. Does not have to be repaid. |
| Income | No income limit |
| Assets | Value of whole estate (not including home) must be under \$73,106. |
| Ownership and Residency | Home must have been owned and occupied as your primary residence for the past 5 years. |
| To Apply | Contact the Assessor's office at 978-929-6621 for an application. Filing deadline for FY2023 is April 1, 2023. |

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Clause 18: Hardship Exemption

If you have a severe financial and medical hardship in a given year, you may qualify for a special hardship exemption from your property tax.

Granted at the **sole discretion** of the Board of Assessors and is based on criteria of age, infirmity and poverty.

Clause 22A-F: Veterans Exemptions

Benefits for veterans who were Massachusetts residents for six months before entering service or for one year preceding the current tax year

| | | |
|------------|--|------------------------------|
| Clause 22 | <ul style="list-style-type: none"> • Veterans with VA certificate showing at least 10% disability. Veterans of the Lebanese Peace keeping Force or Granada Rescue Mission must show receipt of a Campaign Medal. • Veterans of Spanish War, Philippine and Chinese Expeditions with a discharge other than dishonorable • Veterans having the Purple Heart • Spouses who haven't re-married, whose wife or husband qualified for this or any of the Clause 22 exemptions OR whose spouse lost his or her life in service. • Parents of soldiers or sailors who lost their lives in service. Natural, adopting, and parents who stood in loco parentis for one year prior to the time that the deceased entered service qualify. To establish status as in loco parentis, affidavits from two disinterested parties who are not relatives must be submitted. | \$400. up to \$800. |
| Clause 22A | <ul style="list-style-type: none"> • Veterans who have permanent loss of use of one foot, one hand, or sight of one eye • Recipients of the Congressional Medal of Honor, The Distinguished Service Cross, the Air Force Cross or the Navy Cross | \$750. up to \$1,500 |
| Clause 22B | Veterans who have lost or have suffered permanent loss of use of both feet, both hands, or sight of both eyes. | \$1,250. up to \$2,500 |
| Clause 22C | Veterans who are entitled to specially adapted housing as a result of service related disability. | \$1,500. up to \$3,000 |
| Clause 22D | Surviving spouses of service members or guardsmen who died from injury or disease due to being in combat zone, or who are missing in action and presumed dead due to combat. | 100% |
| Clause 22E | Veterans with <i>yearly</i> certificate from the VA indicating 100% disability and incapable of working. (This is the only veteran's exemption that requires a yearly certificate) | \$1,000. up to \$2,000 |
| PAR | Paraplegics or surviving spouses of paraplegics | 100% |

Clause 37A: Blind Persons

If you are legally blind you may qualify for a reduction of at least \$500 in your annual tax bill.

Property must be owned and occupied as your primary residence. Certificate from the Commission on Blindness must be presented each year.

Clause 42: Surviving Spouse of Police Officer or Firefighter

If your spouse was killed in the line of duty, and you have not remarried, you may qualify for a total exemption from your property tax.

Property must be owned and occupied as your primary residence.

Clause 41 A: Property Tax Deferral

You may qualify to postpone payment of your property tax until your house is sold or conveyed. Participation in this program does not require that you move or sell your home.

| | |
|-------------------------|---|
| Age | You or your spouse must be 65 or older on July 1, 2022 for the Fiscal Year 2023 |
| Benefit | <ul style="list-style-type: none"> • Payment of any or all of your property tax can be postponed until the home is sold or conveyed, or until your demise. • You may use any exemption that you qualify for first and THEN defer the rest of your property tax. • Fiscal Year 2022 interest rate is .25% (one quarter of 1%) |
| Income | Up to \$40,000, married or single |
| Assets | No asset restrictions |
| Other limits | Property taxes can be deferred to a maximum cumulative total of half the value of your home.... many decades of potential deferral |
| Ownership and Residency | <ul style="list-style-type: none"> • Massachusetts must have been your state of <i>primary residence</i> for the past 10 years as of July 1, 2022. • You must have <i>owned and occupied</i> a home anywhere in Massachusetts for the past five years as of July 1, 2022. |
| To apply | Contact the Assessor's office at 978-929-6621 for an application. Filing deadline for FY23 is April 1, 2023 |

How it works:

- Each year you can choose to enter into a property tax deferral agreement with the town for all or any part of that year's property tax bill.
- Each year's deferral is like an individual loan. The simple interest rate that was in effect the year that you deferred that year's property tax is locked in for the life of the loan. It is the Federal Discount Rate, generally below the Prime Rate and by law, can never be higher than 8%. FY2023 deferrals will have a locked-in rate of 1.25% until the subsequent year's rate is determined.
- You cannot be forced to sell or move due to taxes deferred under this program.
- Taxpayers who defer their property tax may defer water and sewer charges as well.

Why is this an attractive option?

- Tax deferrals are a safe and inexpensive way to free up some of your income. Using the equity in your home to pay your property tax will allow you to enjoy the use of thousands of dollars that would otherwise have gone to paying your property tax.

Property Tax Deferral Example

In 2019 a senior owning a \$400,000 house decides to start deferring his entire property tax bill every year. In 2022, he decides to sell the house and move into an assisted living facility.

| Fiscal Year | House Value with annual 5% appreciation | Property Tax Deferred <small>Assumes taxes increase 5% per annum</small> | Deferral Interest Rate <small>*(HYPOTHETICAL)</small> | Deferred Tax & Simple Interest |
|-------------|---|---|--|--------------------------------|
| 2019 | \$400,000 | \$6,156.00 | 6.25% | \$8,287.98 |
| 2020 | \$420,000 | \$6,463.80 | 4.75% | \$7,857.39 |
| 2021 | \$441,000 | \$6,786.99 | 4.75%* | \$7,927.88 |
| 2022 | \$463,050 | \$7,126.34 | 4.75%* | \$7,985.78 |
| 2023 | \$486,203 | \$7,482.66 | 4.75%* | \$8,029.45 |
| 2024 | \$510,513 | \$7,856.79 | 4.75%* | \$8,056.95 |

Value of House when Sold in 2024
\$510,513

Total Amount Deferred
\$41,873

Total amount Deferred for the Last Six Years
\$48,145

| | |
|------------------------------|-------------------|
| House Value When Sold | \$510,513 |
| Less Deferral | <u>- \$48,145</u> |
| Remaining Asset Value | \$462,368 |

Community Preservation Act Exemption

Detailed Information for Fiscal Year 2023

Income and asset parameters increase annually with the cost of living adjustment

| | | | |
|--------------------------------|---|----------------------|------------|
| Age | Income limits depend on age. Please see below. | | |
| Benefit | 100% exemption from the surcharge | | |
| Income | Use your 2021 income to qualify Household Size 2021 Income Limit* | | |
| | 60 years & older | Family of two | \$ 112,160 |
| | 60 years & older | Family of one | \$ 98,140 |
| | 60 years & younger | Family of two | \$ 89,728 |
| | 60 years & younger | Family of one | \$ 78,512 |
| Assets | There is no asset limit. | | |
| Ownership and Residency | You must own and occupy the home as your primary residence | | |
| To Apply | Contact the Assessor's office at 978-929-6621 for an application. | | |

Any out-of-pocket medical expenses incurred during the prior calendar year can be deducted from the above income limits.

| TYPE OF EXPENSE | Total Out of Pocket for Preceding Calendar Year |
|----------------------------|---|
| Health insurance premiums | \$ _____ |
| Doctors | \$ _____ |
| Hospitals | \$ _____ |
| Diagnostic tests | \$ _____ |
| Prescription drugs | \$ _____ |
| Medical equipment | \$ _____ |
| Other | \$ _____ |
| TOTAL OUT OF POCKET | \$ _____ |

Senior Service Program

A limited number of low-to-moderate income seniors with needed skills can provide service to the Town in exchange for a reduction to their property taxes. This selective program matches skill and ability to departmental needs. Participants must be age 60 or older.

Administered by the Human Resources Department

Contact Human Resources at 978-929-6613 for more information.

Massachusetts Circuit Breaker Tax Credit

This State program is administered by the Commonwealth of Massachusetts
[Department of Revenue](#). (617-887-6367)

If your annual property taxes or 25% of the amount paid in rent exceeds 10% of your gross income, you may be eligible for a payment or tax credit from the State.

Detailed Information for Fiscal Year 2023

Income and asset parameters increase annually with the cost of living adjustment

| | |
|-------------------------------|---|
| Age | 65 years of age or older at close of tax year |
| Benefit | Homeowners: One dollar for every dollar that your property tax plus half of your water and sewer bill exceed 10% of your income. Renters: One dollar for every dollar that 25% of your rent exceeds 10% of your income. Rent must be unsubsidized and landlord must be a tax-paying entity. Maximum benefit: \$1,170 |
| Income | <ul style="list-style-type: none"> • \$62,000 for a single individual, • \$78,000 for a head of household • \$93,000 if married and filing jointly. <i>Married filing separately is ineligible</i> |
| House Value/ Assets | <ul style="list-style-type: none"> • Assessed value of house \$884,000 or less • Otherwise, no asset limit |
| Ownership And Residency | <ul style="list-style-type: none"> • Renters receiving rent subsidies do not qualify. • Landlord must be a tax-paying entity • Special provisions are made for certain assisted living arrangements and for certain types of trust ownership. Your Massachusetts house or apartment must be your primary residence and must have lived in town for at least ten years. |
| To Apply | Taxpayers or Renters who are eligible for this 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 benefit by filing a return and claiming the exemption. Past returns may be amended up to 3 yrs. Acton's Senior Center provides trained tax advisors during the tax filing season who can help you apply for this benefit. Call 978-929-6621 |