



ANNUAL INCOME AND WHOLE ESTATE

Clause 41C

Gross receipts minus social security allowance must be less than:

- ◆ \$22,622 if single
- ◆ \$33,994 if married

Whole estate less the value of the home except for the value of any portion which exceeds three dwelling units and produces income cannot exceed:

- ◆ \$45,325 if single
- ◆ \$62,322 if married

The value of a person's (a) cemetery plots, (b) registered motor vehicles, (c) wearing apparel and (d) household furniture and effects kept at the domicile should be excluded from the calculation of the person's whole estate for purposes of these clauses.

TAXPAYER'S GUIDE TO REAL ESTATE TAX EXEMPTIONS IN MASSACHUSETTS

CLAUSE 41C

Senior Persons (65 years of age or older)



Massachusetts Department of Revenue
Division of Local Services

SALE OF DOMICILE

If you are selling your domicile, you should make your attorney aware that you receive a property tax exemption that reduces the tax owed for the fiscal year. The sale is a private financial transaction and as a party, **you are responsible for seeing that the exemption is properly credited at the closing, through escrow or other arrangements, when the parties make adjustments for local property taxes or charges.**

Your city or town is not responsible for seeing that you and the buyer allocate the property taxes so you get the benefit of the exemption.

FOR FURTHER INFORMATION, CONTACT YOUR LOCAL BOARD OF ASSESSORS.

INTRODUCTION

A tax exemption is a discharge from the obligation to pay all or a portion of a tax. Exemptions are conferred by the Legislature on particular categories of persons or property.

Clause 41C of Section 5 of Chapter 59 provide exemptions to persons 65 years of age or older who satisfy certain whole estate or asset, annual income and residency requirements. Persons 70 or older may, alternatively, qualify for an exemption under Clauses 17D which provide reduced benefits but for which the eligibility requirements are less strict.

Clause 41 was an early Legislative response to the need of the above category of persons for assistance with their tax obligations. It set out original eligibility requirements for the exemption. As property values and income levels rose, however, it became more difficult for persons to satisfy these requirements. Therefore, the Legislature made alternative exemptions (Clauses 41C) available for cities or towns to accept by town meeting or city council vote. Each alternative has different eligibility requirements. If a city or town has accepted Clause 41C, the Clause most recently accepted establishes eligibility rules. If a city or town has not so voted, Clause 41 prevails.

APPLICATIONS

Applications must be filed annually with the local assessors in the city or town where the property is located. The application is due on April 1, or three months after the actual tax bills are mailed, whichever is later. Filing an application does not entitle one to a delay in tax payment.

DOCUMENTATION

An applicant for an exemption must provide to the assessors whatever information is reasonably required to establish eligibility. This information may include, but not be limited to:

1. Birth certificates.
2. Evidence of domicile and occupancy.
3. Income tax returns.
4. Bank statements

ELIGIBILITY REQUIREMENTS

For eligibility, an individual must satisfy requirements relating to (1) age (2) ownership and domicile (3) annual income and (4) whole estate or assets. All eligibility requirements must be met as of July 1 of the tax year.

NUMBER OF EXEMPTIONS

Not more than one exemption may be granted under Clause 41C on the same parcel of real estate.

AGE

An individual must be (a) 65 years or older or (b) joint owner with a spouse 65 years or older as of July 1 of the tax year.

OWNERSHIP AND DOMICILE

Under Clause 41C, an individual must own and occupy the subject property on July 1 of the tax year. In addition to so owning and occupying the subject property, an individual must have been continuously domiciled in Massachusetts for the 10 years before the application and have owned and occupied the property or other property in Massachusetts for 5 years.

1. To satisfy this ownership requirement, the person's interest must be worth at least \$4,000. The person may own this interest solely, as a joint owner or as a tenant in common. However, if the person owns the property with someone other than a spouse, the exemption amount is reduced to that proportion of \$1,000 as the person's ownership interest in the property.
2. The holder of a life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he or she:
 - a) Is a trustee or co-trustee of that trust, and
 - b) Possesses a sufficient beneficial interest in the domicile through that trust.