

WHOLE ESTATE

In addition, a person's whole estate, real and personal, cannot exceed the following:

Clause 17D - \$40,000, excluding the total value of the subject property, not to exceed 3 dwelling units and any unpaid mortgage balance on that property. For a property containing 4 or more dwelling units, the value of that portion exceeding 3 units must be included.

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

These clauses prescribe no limitation on annual income for exemption eligibility.

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.

TAXPAYER'S GUIDE TO REAL ESTATE TAX EXEMPTIONS IN MASSACHUSETTS

CLAUSE 17D

Surviving Spouse (Husband or Wife)

Minor Child (of a Deceased Parent)

Senior Person



Massachusetts Department of Revenue
Division of Local Services
Property Tax Bureau

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 17D of Section 5 of Chapter 59 provide exemptions to three categories of persons who satisfy certain residency and whole estate or asset requirements: (1) widows and widowers, (2) minor children with one parent deceased and (3) persons 70 years of age or older. Persons 70 or older may, alternatively, qualify for an exemption under Clause 41C which provide increased benefits but for which the eligibility requirements are stricter.

Clause 17 was an early Legislative response to the need of the above categories of persons for assistance with their tax obligations. It set out original eligibility requirements for the exemption. As property values rose, however, it became more difficult for persons to satisfy these requirements. Therefore, the Legislature periodically made alternative exemptions (Clause 17D) 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 17D, the Clause most recently accepted establishes eligibility rules.

EXEMPTION AMOUNT

The exemption amount for Clause 17D is \$350. By local option, upon acceptance by the city council, town council or town meeting, this amount may be annually increased by an amount not to exceed the increase in the Consumer Price Index.

APPLICATIONS

Applications must be filed annually with the local assessors in the city or town where the property is located and within three months from the date in which the 3rd quarter tax bill was first mailed. Filing an application does not entitle the applicant 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 limited to:

1. Birth certificates (for over 70) or Death certificate (for surviving spouse).
2. Evidence of domicile and occupancy.
3. Income tax returns.
4. Bank statements

NUMBER OF EXEMPTIONS

Not more than one exemption may be granted under Clause 17D on the same parcel of real estate.

ELIGIBILITY REQUIREMENTS

For eligibility, an individual must possess, as of July 1 of the tax year, the status of either (1) a surviving spouse or a minor with a parent deceased who owns and occupies the property as his domicile OR (2) a person 70 years or over who has owned and occupied the property as his/her domicile for at least 5 years (under Clause 17D).

OWNERSHIP

1. To satisfy the ownership requirement, a person's interest in the domicile must be worth at least \$2,000. A person may own this interest solely, as a joint owner or as a tenant in common.
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. (Splitting the interest between multiple trusts does not qualify.)