

TAX EXEMPTION FOR QUALIFIED ELDERLY PERSONS (70 years of age or older) *MA General Laws Chapter 59 Section 5 Clause 41C*

BACKGROUND

A tax exemption releases an individual from the requirement to pay all or a portion of his or her personal or real property taxes. Clauses 41, 41B & 41C of Section 5 of Chapter 59 provide exemption to persons 70 years of age or older who satisfy certain whole estate or asset, annual income and residency requirements. Clause 41 was an early MA Legislative response to the need of the above category of persons for assistance with their tax obligations and set the original eligibility requirements. As property values and income levels rose, it became more difficult for persons to satisfy these requirements, therefore the Legislature made alternative Clauses 41B, 41C & 41D available for cities and towns to accept by town meeting vote. Clause 41D increases the income and asset limits by an annual cost of living (COLA) percentage. **The Town of Montague has adopted Clause 41C and 41D.**

EXEMPTION AMOUNT

Clause 41C- \$500.00

DOCUMENTATION

An applicant for an exemption must provide to the assessors whatever information is reasonably required to establish eligibility, including, but not limited to the following:

- Birth certificate(s) or Drivers License
- Evidence of domicile and occupancy
- Income tax returns
- Social Security statements
- Bank statements (savings, checking)
- Statements of other assets: stocks, bonds, certificates of deposit, interest, dividends earned, etc.

NUMBER OF EXEMPTIONS

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

ELIGIBILITY REQUIREMENTS

AGE

An individual must be 70 years of age or older, or joint owner with a spouse 70 years or older, as of July 1 of the tax year.

OWNERSHIP AND DOMICILE

An individual must own and occupy the subject property on July 1 of the tax year.

Additionally, under Clause 41C an individual must have been continuously domiciled in Massachusetts for the 10 years preceding the application and have owned and occupied the property or other property in Massachusetts for 5 years.

ANNUAL INCOME CALENDAR 2013

Gross receipts cannot exceed:

\$27,315 if single, or

\$40,973 if married.

The definition for gross receipts is **ALL** income for the calendar year preceding the fiscal year for which the application applies.

WHOLE ESTATE OR ASSETS AS OF

7/1/2014

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

\$32,015.20 if single, or

\$34,302.00 if married

APPLICATION

In order to obtain an exemption for which you are qualified, you must file an application in writing on an approved form with the assessors. The assessors' office will accept exemption applications anytime after July 1 for the current fiscal year; if the application is received and approved before the tax file is created the exemption will appear on the actual tax bill when it is mailed in December. The filing deadline for an exemption is 3 months after the date tax bills were mailed. Any approved applications that are received after the tax file has been created will receive a certificate indicating the amount of the exemption.

Applications must be filed every year.