



# TAXPAYER’S GUIDE TO LOCAL PROPERTY TAX EXEMPTIONS

## SENIORS

### Clauses 41, 41B, 41C, 41C½

The Department of Revenue (DOR) has created this fact sheet to provide general information about local property tax exemptions for seniors. It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. **To find out about the specific eligibility and application requirements in your city or town, you must contact your local board of assessors.** The DOR cannot advise you about your eligibility. Property taxes are assessed and collected by cities and towns, not by the DOR. Under state law, only your board of assessors, as the local tax administrator, can decide whether you qualify for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board (or county commissioners if your county’s government has not been abolished).

### INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges a taxpayer from the legal obligation to pay all or a part of the tax. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 ([M.G.L. c. 59, § 5](#)).

Clauses 41, 41B, 41C or 41C½ provide exemptions to seniors who meet specific ownership, residency, income and asset requirements. Seniors 70 or older may, alternatively, qualify for exemption under Clauses 17, 17C, 17C½ or 17D, which provide a reduced benefit, but have less strict eligibility requirements. Clause 41 is the basic exemption for seniors. Over the years, as income and asset values rose, the Legislature enacted alternative exemptions (Clauses 41B, 41C and 41C½), and options within those exemptions, that cities and towns may adopt.

Clause 41 applies unless the legislative body of your city or town has voted, subject to local charter, to accept another clause. The most recently accepted clause establishes eligibility rules.

<b>EXEMPTION AMOUNT</b>	Clauses 41, 41B, 41C	\$500
	Clause 41C½	5% of the average assessed valuation of residential property in your city or town.
	The Clause 41C exemption may be increased up to \$1,000, by vote of the legislative body of your city or town.	
	The Clause 41C½ exemption may be increased up to 20% of the average assessed valuation of residential property in your city or town, by vote of the legislative body of your city or town.	

**For more information, please contact your local assessors.**

<p><b>APPLICATIONS</b></p>	<p>You must file an application each year with the assessors in the city or town where your property is located. An application for Clause 41, 41B or 41C is due on December 15, or three months after the actual tax bills are mailed, whichever is later. An application for Clause 41C½ is due on the earlier abatement application deadline for the fiscal year, which is the same day that the first actual tax payment for the year is due. <b><i>Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason.</i></b> Filing an application does not entitle you to delay your tax payment.</p>
<p><b>DOCUMENTATION</b></p>	<p>You must provide the assessors with whatever information is reasonably required to establish your eligibility. This information may include, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Birth certificates.</li> <li>2. Evidence of ownership, domicile and occupancy.</li> <li>3. Income tax returns, bank and other asset account statements.</li> </ol>
<p><b>NUMBER OF EXEMPTIONS</b></p>	<p>With limited exceptions, you may only receive one exemption under M.G.L. c. 59, § 5. If you qualify for more than one, you will receive the one that provides the greatest benefit. You may receive an exemption and if qualified, defer all or a part of the balance of the reduced tax.</p>
<p><b>ELIGIBILITY REQUIREMENTS</b></p>	<p>You must satisfy tests relating to age, domicile, ownership, occupancy, annual income and assets. All eligibility requirements must be met as of July 1 of the tax year. (<i>The fiscal year of cities and towns begins July 1 and ends the following June 30.</i>)</p> <p>If you own the property with someone who is not your spouse, for example, your children or other relatives, then each of the other co-owners must also satisfy the annual income and asset tests.</p>
<p><b>AGE</b></p>	<p>You must be 70 or older.</p> <p>For Clauses 41C and 41C½, the eligible age may be reduced to 65 or older, by vote of the legislative body of your city or town.</p>

<p><b>OWNERSHIP AND DOMICILE</b></p>	<p>You must own and occupy the property as your domicile. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile.</p> <p>For Clauses 41B, 41C and 41C½, you must also have had a domicile in Massachusetts for 10 consecutive years before the tax year begins, and have owned and occupied the property, or any other property in Massachusetts, for any 5 years. The 10 year continuous domicile requirement for Clause 41C½ may be reduced to 5 years, by vote of the legislative body of your city or town.</p> <ol style="list-style-type: none"> <li>1. Under Clauses 41, 41B and 41C, your ownership interest must be worth at least \$4,000. You may own this interest solely, as a joint owner or as a tenant in common. If you own the property with someone who is not your spouse, your exemption will be equal to the same percentage of the exemption as your ownership interest in the property, for example, 50% if you are a joint owner with one other person.</li> <li>2. If you hold a life estate in the domicile, you are the owner.</li> <li>3. If your domicile is held in a trust, you are the owner only if:             <ol style="list-style-type: none"> <li>a. You are a trustee or co-trustee of that trust, <b>and</b></li> <li>b. You have a sufficient beneficial interest in the domicile.</li> </ol> </li> </ol>
<p><b>INCOME LIMITS</b></p>	<p>Your income (gross receipts) for the previous calendar year cannot exceed a specified limit. Each clause has a different limit.</p> <p><b>Gross receipts means income from <u>all</u> sources and is broader than taxable income for federal or state income tax purposes.</b> Ordinary business expenses and losses are deducted but not personal or family expenses. If you received income from social security or certain public pensions systems in the prior calendar year, the assessors will deduct a “minimum social security” allowance, which is set by the DOR each year.</p> <p>If you are single, your allowable gross receipts can range from \$6,000 (Clause 41) to the limit for the “circuit breaker” state income tax credit for single non-head of household filers (Clause 41C½). If you are married, the limit is based on the combined gross receipts of you and your spouse and ranges from \$7,000 (Clause 41) to the limit for the “circuit breaker” state income tax credit for single non-head of household filers (Clause 41C½).</p> <p>For Clauses 41, 41B and 41C, the gross receipts limit may increase annually by the percentage increase in the Consumer Price Index (CPI) determined by the DOR each year. This increase applies only if the legislative body of your city or town has voted, subject to local charter, to accept this local option.</p>

<p><b>ASSET LIMITS</b></p>	<p>Your assets (whole estate) on July 1 cannot exceed a specified limit. Each clause has a different limit.</p> <p><b>Whole estate means <u>all</u> assets to which you have legal title and access as sole, joint owner or trustee that contribute to your total worth.</b> The value of the applicant’s cemetery plots, registered motor vehicles, wearing apparel and household furniture and effects located in the domicile is not included in the calculation of the applicant’s whole estate. In addition, the value of the domicile is generally not included, but depending on the clause, portions generating income or over a certain number of units may be included.</p> <p>If you are single, your allowable whole estate can range from \$17,000 (Clause 41) to \$40,000 (Clause 41C). If you are married, the limit is based on the combined whole estates of you and your spouse and ranges from \$20,000 (Clause 41) to \$55,000 (Clause 41C). There is no asset limit under Clause 41C½.</p> <p>For Clauses 41, 41B and 41C, the whole estate limit may increase annually by the percentage increase in the CPI determined by the DOR each year. This increase applies only if the legislative body of your city or town has voted, subject to local charter, to accept this local option.</p>
<p><b>APPEALS</b></p>	
<p><b>Appellate Tax Board</b></p>	<p>The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local assessors’ decisions on property tax abatements and exemptions. If county government has not been abolished, appeals may be made to the county commissioners instead, but assessors may and usually do transfer those appeals to the ATB. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court.</p> <p>You can obtain the ATB’s <a href="#">guide</a> to the property tax appeal process from its website (<a href="http://www.mass.gov/atb">www.mass.gov/atb</a>) or by calling 617-727-3100.</p>
<p><b>Appeal of Action of Assessors</b></p>	<p>You have three months from the date of the assessors’ decision on your exemption application to appeal to the ATB. If the application was deemed denied, your appeal must be filed within three months of the deemed denied date. The ATB cannot hear the appeal if it is not filed within the deadline. As a general rule, if the real estate tax on your domicile is over \$3,000, you must also have paid each actual tax installment on time.</p>

<b>ASSESSMENT AND EXEMPTION CALENDAR</b>	
<b>January 1</b>	Property Tax Assessment Date for Next Fiscal Year
<b>July 1</b>	Fiscal Year Begins Real Estate Exemption Eligibility Date for Fiscal Year
<b>October - December</b>	Actual Tax Bills Mailed for Fiscal Year
<b>November 1 (Semi-annual Payment Communities) February 1 (Quarterly Payment Communities)</b>	1 <sup>st</sup> Actual Tax Installment Payment Due <sup>1</sup>
<b>December 15, or 3 Calendar Months from Mailing of Actual Tax Bill if later</b>	Personal Exemption Applications to Assessors Due <sup>2</sup>
<b>3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)</b>	Assessors Grant or Deny Exemption Application Deemed Denied if Assessors Have Not Acted
<b>3 Calendar Months from Assessors' Action on Application, or Deemed Denial of Application</b>	Appeal to ATB Due

<sup>1</sup> Contact your assessors. The due date depends on the payment system used in your community and the date actual tax bills were mailed for fiscal year.

<sup>2</sup> Some assessors may accept applications before actual tax bills are mailed. If not, or your application is not approved, you must apply by this deadline to claim the exemption.