

DOCUMENTATION

An applicant for deferral must furnish whatever information is reasonably required to establish eligibility under the terms of the statute. This information may include, but not limited to:

1. Birth certificate.
2. Evidence of ownership, domicile and occupancy.
3. Income tax returns.

PAYMENT

The payment of deferred taxes and accrued interest is due upon the sale of the property or the death of the taxpayer, if the surviving spouse does not continue to defer. As of that date, the interest rate goes up to 16%. If 6 months later, the deferred amount has not been paid, the treasurer may petition the Land Court to foreclose the lien on the property.

FOR FURTHER
INFORMATION, CONTACT
YOUR LOCAL BOARD OF
ASSESSORS:

**Hopedale Board of Assessors
74 Hopedale Street
Hopedale, MA 01747**

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TAXPAYER'S GUIDE TO REAL ESTATE TAX EXEMPTIONS IN HOPEDALE

Clause 41A

Property Tax Deferral

(65 years of age or older)

Local Option



**Hopedale Board of Assessors
74 Hopedale Street
Hopedale, MA 01747**

INTRODUCTION

An exemption is a privilege granted by the Legislature to certain classes of persons or property. An exemption reduces by certain amounts the tax owed.

Unlike an exemption which discharges a tax obligation, Clause 41A permits a senior taxpayer to *delay payment* of property taxes which ultimately must be paid to the community. This defers payment until the senior sells the property or passes away. A deferral allows seniors to use resources that would go to pay taxes to defray living expenses instead. Taxpayers who qualify for personal exemptions under other clauses in M.G.L. c.59, § 5 (for example seniors, disabled veterans, blind persons or surviving spouses) may defer all or part of the balance of their reduced taxes.

A qualified applicant must enter into a written tax deferral and recovery agreement with the community's assessors who record a statement at the Registry of Deeds to continue the lien that exists on the property by law to secure payment. Joint owners, remaindermen and/or mortgagees must give prior written approval.

APPLICATIONS

Applications must be filed annually with the local assessors in the city or town where the property is located on or before December 15th, or three months after the actual tax bills are mailed, whichever is later. **"Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason."** Filing an application does not entitle the applicant to a delay in tax payment.

ELIGIBILITY REQUIREMENTS

An applicant must satisfy tests relating to age, domicile, ownership and occupancy, and annual income. All eligibility requirements must be met as of July 1 of the tax year.

Age — An applicant must be at least 65 years of age.

Domicile — An applicant must have had a domicile or legal home in Massachusetts for ten consecutive years before the tax year begins. The applicant must also be domiciled in the property that is the subject of the application.

Ownership and Occupancy — An applicant must have owned and occupied the subject property or other real property in Massachusetts as a domicile for at least 5 years. The years do not have to be consecutive or for the same location.

1. You may own the property solely, as a joint owner or as a tenant in common
2. If you hold a life estate in the domicile, you are considered the owner
3. If your domicile is held in trust, you are considered the owner only if:
 - a. You are a trustee or co-trustee of that trust, and
 - b. You have a sufficient beneficial interest in the domicile

Gross Receipts — An applicant's gross receipts from all sources cannot exceed \$30,000 (local option beginning with Fiscal Year 2007). If married, combined gross receipts cannot exceed \$30,000. **Gross receipts means income from all sources and is broader than taxable income from federal or state income tax purposes.** Ordinary business expenses and losses may be deducted but not personal or family expenses. By local option, upon acceptance by the city council, town council or town meeting, the amount of qualifying gross

receipts can be increased to an amount up to \$40,000.

DEFERRAL AMOUNT

A taxpayer who qualifies may defer payment of all or part of the taxes owed each year so long as (1) you continue to qualify, and (2) the cumulative deferred taxes and accrued interest are not more than 50% of your proportional ownership share of the fair cash value of the property. For example, if you are a joint owner with one other person, the total amount deferred cannot be more than 25% of the property's value

If you own the property with someone who is not your spouse, the amount you may defer annually is also limited to your proportional ownership share of the year's tax.

Interest on deferred taxes accrues at 8% or a lower rate voted by the legislative body of your city or Town before July 1 of the tax year.

The Town of Hopedale adopted the local option beginning with Fiscal Year 2007 and the interest rate on deferred taxes currently accrues at 5%.

Surviving Spouse

You surviving spouse who qualifies may continue to defer taxes but must enter into a new deferral and recovery agreement. Surviving spouses who inherit a property must have occupied it, or other real estate in Massachusetts, as a domicile for at least 5 years. Any additional taxes plus interest deferred by you surviving spouse, plus any amounts previously differed and unpaid, cannot be more than 50% of the spouse's proportional ownership share of the fair cash value of the property.