

Documentation

The Applicant must provide the assessors with whatever information reasonably required to establish eligibility. This information may include, but not be 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 when the property is sold or you pass away**, unless your surviving spouse continues 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

508-634-2203 x 214
508-634-2203 x 224

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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 017

Introduction

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges the taxpayer from legal obligation to pay all or a part of the tax assessed for the fiscal year.

Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c 59, §5).

Under Clause 41A, seniors may also be able to **delay payment** of their property taxes. A property tax deferral does not discharge the tax obligation like an exemption. Instead, it 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, for 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 local assessors. The assessors will record a statement at the Registry of Deeds to continue the lien that exists on your property by law to secure payment of the deferred taxes. Joint owners, remainderman and mortgagees must give prior written approval.

Applications

Applicants must file an application for each fiscal year with the assessors in the city or town where your property is located. The application is due on April 1, or 3 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 you to delay your tax payment.

Eligibility Requirements

An Applicant must satisfy tests relating to age, domicile, ownership, occupancy and annual income. **You must meet all eligibility requirements as of July 1 of the tax year.** (The fiscal year of cities and towns begins July 1 and ends the following June 30.) **If you do not meet**

all the requirements as of July 1, you cannot defer all or any portion of your taxes for that tax year.

Age: An applicant must be 65 or older.

Domicile: An Applicant must have had a domicile in Massachusetts for at least 10 consecutive years before the tax year begins. You must also be domiciled in the property. Your domicile is where your principal and legal home is located, your family, social, civic and economic life is centered and where you plan to return whenever you are away. You may have more than 1 residence but only 1 domicile.

Ownership & Occupancy: An Applicant must have owned and occupied the property, or other real property in Massachusetts, as a domicile for at least 5 years. The years do not have to be consecutive or at 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 the owner.
3. If your domicile is held in a trust, you are 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.

Income Limits

An Applicants gross receipts for the previous calendar cannot exceed \$30,000 (local option beginning with Fiscal Year 2007). If you are married, the combined gross receipts of you and your spouse cannot exceed \$30,000. **Gross receipts mean income from all sources and is broader than taxable income for federal or state income tax purposes.** Ordinary business expenses and losses are 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 that 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 the 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

Your 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 property in Massachusetts, as a domicile for at least 5 years. Any additional taxes plus interest deferred by your surviving spouse, plus the amounts previously deferred and unpaid, cannot be more than 50% of the spouse's proportional ownership share of the fair cash value of the property.