

Fiscal Year 2008

Town of Stoneham

Property Tax Relief for
Seniors, Widows, Blind &
Veterans



Local Property Tax Exemptions for Stoneham Seniors

You may qualify for one of the following property tax exemptions. Since only one of these exemptions is allowed each year, choose the one that provides the maximum benefit for you:

Choose One of the following Options

1- Elderly Person Over 65 (clause 41C) * **

If your Income and assets are low-to-moderate, you may qualify for a \$1,000 exemption from your property tax

- See page 4 for detailed information and help in determining if you qualify.

2- Elderly Person Over 70 or Surviving Spouse (clause 17D) * **

If your income is too high for the 41C exemption but you have low assets, you might qualify for a \$217 reduction in your property tax

- 70 or older by July 1 of tax year or surviving spouse of any age
- Value of Whole Estate (not including the home) must not exceed \$49,682
- There is no income limit.
- Home must have been owned and occupied as your principal residence for the past 5 years.
- Contact Assessor's Office at 781-279-2640 for application

3- Disabled Veterans, Certain Medal Winners, and Certain Survivors (clauses 22A – F) * **

A wide range of exemptions is available to veterans of the armed services

- See detailed information on page 5

4- Blind Persons (clause 37A) * **

If you are blind, you may qualify for a \$500 reduction in your property tax

- You must own and occupy Stoneham property as your primary residence
- You must provide a certificate from the Commission on Blindness every year
- Contact Assessor's Office at 781-279-2640 for application

5- Surviving Spouse of Police Officer or Firefighter (clause 42) * **

If your spouse was killed in the line of duty, and you have not remarried, you may qualify for a total exemption from your property tax.

- Property must be owned and occupied as your primary residence
- Contact Assessor's Office at 781-279-2640 for application

6- Hardship Exemption (clause 18) * **

If you have severe financial and medical hardships in a given year, you may qualify for a special hardship exemption from your property tax.

- Must meet all three criteria of age, infirmity and poverty.
- Granted at the sole discretion of the Board of Assessors
- Contact Assessor's Office at 781-279-2640 for application

* These benefits are offered by the town but governed under Massachusetts General Law Chapter 59, Section 5. Clause numbers refer to clauses under this statute.

** If your home is held in trust, you must provide a copy of the trust showing that you are a trustee and a copy of the schedule of beneficiaries showing that you have a beneficial interest.

If you have a non-spouse co-owner or a multi-unit dwelling, contact Assessor's Office.

Additional Property Tax Help

These following “Add-On” exemptions, credits and deferrals can be ADDED to the “Chose One” exemptions described on the previous page

Add either or both of the following:

Administered by the Assessor’s Office:

Tax Deferral (Clause 41A)

If you have low-to-moderate income, you may qualify to postpone paying your property tax

until your house is sold or conveyed.

- Deferrals free up your income for any desired use
- You are protected - you will never have to sell or move due to taxes deferred under this program
- See the detailed information on pages 6

Administered by the State

State Senior Circuit Breaker Tax Credit

Senior renters or homeowners with low-to-medium incomes may qualify for direct payment or tax credits from the State up to \$870 credit

To qualify based on

- you or your spouse must be age 65 or older by the end of the tax year
- if married, you must file jointly
- you cannot be the dependent of another taxpayer
- you must rent or own a home in Massachusetts that is your principal residence
- if you are a homeowner, your property's assessed value cannot be greater than \$684,000 on January 1, 2006
- if you are a renter, you cannot be getting a federal or state rent subsidy (such as Section 8), and your landlord must pay property taxes
- you must meet the income limits
- the amount you paid for real estate taxes must be greater than 10% of your total income
- ***This is an income tax credit; it does not apply to your local property taxes***

*Qualifying amounts increase annually *

Elderly Person Over 65 (Clause 41C)

If your income and assets are low to moderate, you may qualify for a \$1,000 exemption from your Property Tax

Age Benefit Income

You or your spouse must be 65 or older on July 1st, 2007 for Fiscal Year 2008 \$1,000 reduction in property tax. Does not have to be repaid.

- Your total income must be under \$24,841* for single homeowners, or \$37,261* for married homeowners for Fiscal Year 2008.
- Your income from 2006 is used to qualify for Fiscal Year 2008 exemptions.
- A deduction (called the Social Security Deduction) is allowed if you have income from Social Security, Railroad Retirement, or federal Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans
- The FY2008 "Social Security Deduction" is:
Worker: \$3,814, Spouse: \$1,921 as determined annually by the state.

Assets

- Your Whole Estate must be under \$49,682* for single homeowners, \$68,312* for married homeowners.
- Your Whole Estate Includes
 - Total of all savings accounts, checking accounts, certificates of deposit, IRA/401kaccounts, annuities, stocks and bonds as of July 1, 2007
 - Any real estate other than your Stoneham primary residence.
- Your primary residence, vehicles, personal effects and cemetery plots are not counted or included.

Ownership / Residency

- Massachusetts must have been your state of primary residence for the past ten years as of July 1st, 2007
- You must have owned and occupied your current home for the past five years as of July 1st, 2007
- If your home is held in trust, you must provide a copy of both the trust and the schedule of beneficiaries showing that you are a trustee and have a beneficial interest.
- If you are a joint owner with a non-spouse or your home is a multi-unit dwelling, contact the Assessor's office for further information

To Apply

Contact the Assessor's office at 781-279-2640 for an application. Filing deadline for FY2008 is three months after the actual bill is issued.

- Qualifying limits increase annually with a cost of living adjustment.
- Applications must be received by December for an adjustment to be reflected on the February bill

Property Tax Exemptions for Veterans

Benefits for veterans who were Massachusetts residents for six months before entering service or for five consecutive years before the current tax year

- Clause 22**
- Veterans with VA certificate showing at least 10% disability. Veterans of the Lebanese peace keeping force or Grenada rescue mission must show receipt of a campaign medal.
 - Veterans of Spanish War, Philippine and Chinese Expeditions with discharge other than dishonorable
 - Veterans having the Purple Heart
 - Spouses who haven't re-married, whose wife or husband qualified for this or any of the Clause 22 exemptions OR whose spouse lost his or her life in service.
 - Parents of soldiers or sailors who lost their lives in service. Natural, adopting, and parents who stood in loco parents for one year prior to the time that the deceased entered service qualify. To establish status as in loco parents, affidavits from two disinterested parties who are not relatives must be submitted.
 - **Total Exemption \$400**
- Clause 22A**
- Veterans who have permanent loss of use of one foot, one hand, or sight of one eye
 - Recipients of the Congressional Medal of Honor, The Distinguished Service Cross, the Air Force Cross or the Navy Cross
 - **Total Exemption \$750**
- Clause 22B**
- Veterans who have lost or have suffered permanent loss of use of both feet, both hands, or sight of both eyes.
 - **Total Exemption \$1,250**
- Clause 22C**
- Veterans who are entitled to specially adapted housing as a result of service related disability.
 - **Total Exemption \$1,500**
- Clause 22D**
- Surviving spouses of service members or guardsmen who died from injury or disease due to being in combat zone, or who are missing in action and presumed dead due to combat.
 - **Total Exemption \$2,500**
- Clause 22E**
- Veterans with yearly certificate from the VA indicating 100% disability and incapable of working.
(This is the only veteran's exemption that requires a yearly certificate)
 - **Total Exemption \$1,000**
- PAR**
- Paraplegics or surviving spouses of paraplegics
 - **Total Exemption 100% of all property tax**

Property Tax Deferrals (Clause 41A)

You may qualify to postpone paying your property tax until your house is sold or conveyed. Let the value of your house pay your property tax.

Age You or your spouse must be 65 or older on July 1, 2007 for the Fiscal Year 2008

Benefit

- Payment of any or all of your property tax can be postponed until the home is sold or conveyed, or until your demise.
- You may use any exemption that you qualify for first and THEN defer the rest of your property tax.
- Fiscal Year 2008 interest rate is 8.00%

Income Up to \$40,000, married or single

Assets No asset restrictions

Other limits Property taxes can be deferred to a maximum cumulative total of half the value of your home.... many decades of potential deferral

Ownership and Residency

- Massachusetts must have been your state of primary residence for the past 10 years as of July 1st, 2007.
- You must have owned and occupied a home anywhere in Massachusetts for the past five years as of July 1st, 2007.

To apply Contact the Assessor's office at 781-279-2640 for an application. Filing deadline for FY2008 is three months after the actual bill is issued.

How it works:

- Each year you can choose to enter into a property tax deferral agreement with the town for all or any part of that year's property tax bill.
- Each year's deferral is like an individual loan. The simple interest rate that was in effect the year that you initially deferred that year's property tax is locked in for the life of the loan. FY2008 deferrals will have a locked-in rate of 8.00% until the house is sold, conveyed or the owner dies.
- You can NEVER be forced to sell or move due to taxes deferred under this program.
- People who defer their property tax may defer water and sewer charges as well.

Why is this an attractive option?

- Tax deferrals are a safe and inexpensive way to free up some of your income. Using the equity in your home to pay your property tax will allow you to enjoy the use of thousands of dollars that would otherwise have gone to paying your property tax.

* The interest rate is based on the Monthly One Year Constant Maturity Treasury Rate as published by the Federal Reserve Bank for the first week in March preceding the new Fiscal Year.