



# Property Tax Exemptions Tax Deferral

November 2022

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*The City continues to offer one of the most generous tax exemption programs in the Commonwealth.*

## Dear Taxpayers of Cambridge:

This is the third newsletter issued to Cambridge taxpayers to provide information regarding the City's budget and property taxes.

Property tax bills for the first half of the fiscal year were mailed to you on October 21, 2022, with a due date of November 21, 2022. This newsletter contains information about property tax exemptions and tax deferrals that may help you reduce or defer real estate taxes.

Please read this information carefully, and if you believe you are eligible for an exemption or tax deferral program, contact the City of Cambridge Assessing Department at 617-349-4343 to request an application form or to discuss your particular situation. Information is also available on the City's Assessing Department web page:

**CambridgeMA.gov/assessing**. The City continues to offer one of the most generous tax exemption programs in the Commonwealth. The City Council has previously approved several tax exemptions including doubling the value of statutory exemptions and to index income and asset levels to help keep pace with inflation. Cambridge was one of the first municipalities in the Commonwealth to adopt this taxpayer benefit.

The FY23 residential exemption is \$470,823, which results in a tax bill reduction of \$2,759 for owners who reside in their property and file a Massachusetts income tax return using that address.

Please note that if you did not receive a FY23 property tax bill, you should contact the Finance Department immediately (617-349-4220 or **treasurer@CambridgeMA.gov**) to receive a copy. Under State law, you are still responsible for paying your property tax bill on time, even if you did not receive the actual tax bill.

I encourage you to read this publication, and to seek out City staff from the departments listed on the back cover with any questions or comments.

Very truly yours,

Yi-An Huang, City Manager



2022 Scholarship Winners

In 2022 the City awarded 81 scholarships of \$3,000 each for a total of \$243,000 to Cambridge high school seniors. Taxpayers receive a separate envelope with their property tax bill to make a donation to the Scholarship Fund. In addition, individuals can make an online scholarship donation by going to **CambridgeMA.gov/paybill** or by mail to City of Cambridge, P.O. Box 2005, Cambridge, MA 02139.

## Mark your calendars!

Please note that payments are considered made when received by the Finance Department. The City does not accept postmarked or mailing dates. Please plan accordingly if mailing payment. You can also use the payment drop box located behind City Hall or make payments online.

- If you did not receive your tax bill, please contact the Finance Department at 617-349-4220 or **treasurer@CambridgeMA.gov**
- First Half Tax Bills Due: **November 21, 2022**
- Abatement Applications Due: **November 21, 2022**
- Exemption Applications Due: **April 3, 2023**

**Participatory Budgeting (PB)** in Cambridge is a democratic process through which community members directly decide how to spend part of the City's Capital Budget. Please visit: **pb.CambridgeMA.gov** for more information. **PB Vote: December 1, 2022 – December 11, 2022**

## Elderly, Veteran, and Other Statutory Exemptions

A variety of statutory exemptions are available to reduce property tax obligations for certain qualifying taxpayers: low income elderly persons, blind persons, disabled veterans, surviving spouses or orphaned minor children, and extreme hardship. There is also an exemption for active duty Massachusetts military service members.

### Applications for FY23 statutory exemptions are due no later than April 3, 2023 (MGL Ch.59, S.5, effective 11/7/2016)

**General Qualifications for Exemptions:** Applicants must meet age, income, and residency qualifications as of July 1, 2022. In most cases, the applicant must have owned and occupied real estate property in Massachusetts for five years (and owned and occupied the current property on July 1 in the year of application). In certain cases, there is also a requirement that the applicant has lived in Massachusetts for the past ten (10) years.

In some circumstances, if two or more persons jointly own a property and each qualifies for a different exemption, more than one exemption may be applied to a single property tax bill.

**For Owners of Property in Trust:** Trust ownership arrangement may affect qualification for a statutory exemption. Consult your attorney if these requirements pertain to you.

As a general rule, an applicant must be a trustee and a beneficiary and submit:

- A copy of a recorded trust instrument, including amendments
- A copy of the schedule of beneficiaries

The following table provides a general idea of the exemptions available. For more information, please contact the Assessing Department at 617-349-4343.

Clause	Basic Qualifications as of July 1, 2022	Maximum Income*	Maximum Assets**	Potential Tax Relief
<b>ELDERLY</b>				
17D	Age 70 surviving spouse	No Maximum	\$73,105	\$370 - \$740
41C	Age 65 - single	\$30,228	\$60,453	\$1,000 - \$2,000
41C	Age 65 - married	\$45,343	\$83,123	\$1,000 - \$2,000
<b>VETERAN</b>				
22	10% disability or Purple Heart	No Maximum	No Maximum	\$400 - \$800
22A	Loss or permanent loss of use of one hand, foot or eye	No Maximum	No Maximum	\$750 - \$1,500
22B	Loss or permanent loss of use of both hands, feet or eyes	No Maximum	No Maximum	\$1,250 - \$2,500
22C	Specially adapted housing	No Maximum	No Maximum	\$1,500 - \$3,000
22D	Surviving spouse of service member or guardsman who died as a result of being in a combat zone	No Maximum	No Maximum	Full
22E	100% disability, incapable of working	No Maximum	No Maximum	\$1,000 - \$2,000
58/8A (22P)	Paraplegic veteran & surviving spouse	No Maximum	No Maximum	Full
<b>OTHER</b>				
17D	Surviving spouse or orphaned minor children	No Maximum	\$73,105	\$370 - \$740
18	Extreme hardship	Case by Case	Case by Case	Varies
37A	Legally blind	No Maximum	No Maximum	\$500 - \$1,000
42/43	Surviving spouse or minor children of police officer or firefighter killed in the line of duty	No Maximum	No Maximum	Full

\*Income: salary, wages, interest, dividends, rental income, IRA distributions, pensions

\*\*Assets: stocks, bonds, IRAs, bank account balances, real estate holdings other than primary residence

The real estate tax assessments always look back in time. Based on state law, the property tax bill that you receive in November 2022 (for Fiscal Year 2023) uses property values as of January 1, 2022, based on sales that occurred during calendar year 2021.

*This chart illustrates the timeframes used for real estate valuations for each fiscal year.*

Fiscal Year	Lien Date	Calendar Year Property Sales
FY2021	1/1/2020	2019
FY2022	1/1/2021	2020
FY2023	1/1/2022	2021
FY2024	1/1/2023	2022

## **Residential Exemption**

Almost two-thirds of the residential property in Cambridge is owner occupied. You are eligible for a residential exemption if you owned and occupied your property as your primary residence as of January 1, 2022. Check your bill to make sure that you received the residential exemption. If you do not see this on your bill, and you qualify, an application form must be submitted no later than April 3, 2023. You do not need to reapply each year.

## **Senior Tax Deferral Program**

Homeowners who are 65 or older and who meet certain income and asset guidelines are eligible to defer up to 100% of annual property taxes. As required by State law, deferred taxes accumulate with simple interest at 4% as a lien on the property until it is sold or the owner is deceased.

## **Massachusetts Military Service Tax Payment**

Another form of tax relief available to Massachusetts National Guardsmen and Reservists deployed outside of the State, is the Massachusetts Military Service Tax Payment Deferment. National Guardsmen and Reservists deployed outside Massachusetts, and their dependents, are granted up to 180 days after that service to pay their property taxes without interest or penalties. This local option statute is patterned after the provisions of the Federal Service Members Civil Relief Act, which allows similar benefits for federal, state, or local income taxes. The deferment applies to all outstanding property taxes of qualifying Guardsmen or Reservists and their dependents, regardless of when the taxes are due.

## **Community Preservation Act (CPA)**

**CPA Residential Exemption:** The first \$100,000 of residential property value is automatically exempt from the CPA surcharge. The CPA surcharge on your FY23 bill accounts for the \$100,000 exemption.

**CPA Low/Moderate Income Exemption:** Qualifying lower income owners and low to moderate income seniors may be eligible for a full surcharge exemption, based on income guidelines established by the Commonwealth each year. The form is available on the City's Assessing Department webpage.

## **Senior Circuit Breaker Tax Credit**

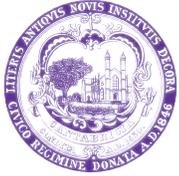
Eligible seniors are able to reduce their property taxes even further through this State Tax Credit program. A tax credit is available to assist low to moderate income seniors in paying property taxes and utility charges. Under this program, eligible homeowners and renters receive a refundable credit on their state income taxes, if they file annual income tax return (for the previous taxable year). This is a State program. For more information, please contact the Massachusetts Department of Revenue Customer Service at 617-887-6367.

## **Abatement Applications**

You may file an application for abatement with the Assessing Department after the 1<sup>st</sup> tax bill issue date. Abatement applications are due no later than the first bill due date. For FY23, this is November 21, 2022. You may obtain an application by calling the Assessing Department or downloading the form from the City's website. Download an application at: **[CambridgeMA.gov/Services/RealEstatePropertyTaxAbatement](https://CambridgeMA.gov/Services/RealEstatePropertyTaxAbatement)**

Reasons to file for an abatement include:

- Overvalued, based on an assessment date of January 1, 2022;
- Disproportionately assessed in comparison with other properties;
- Classified incorrectly as residential, open space, commercial or industrial real property; or
- Partially or fully exempt.



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## ***Property Value Information***

### **Property Value Information:**

Assessing Department 617-349-4343  
CambridgeMA.gov/assessing

### **Tax Bill Information:**

Finance Department 617-349-4220  
CambridgeMA.gov/finance

### **Budget Information:**

Budget Office 617-349-4270  
CambridgeMA.gov/budget

### **General Information:**

City Manager's Office 617-349-4300  
CambridgeMA.gov/citymanager

## ***Questions on your tax bill or assessment?***

Email us at:

**Treasurer@CambridgeMA.gov**  
**Assessors@CambridgeMA.gov**

 CambridgeMA.gov  @CambMA



Photo: Kyle Klein Photography - Cambridge City Hall