

Property Tax Exemptions Tax Deferral

November 2017

Louis A. DePasquale, City Manager • Lisa C. Peterson, Deputy City Manager • David J. Kale, Finance Director

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

Dear Residents and Taxpayers of Cambridge:

Property tax bills for the first half of the fiscal year were mailed to you on October 27, 2017. This newsletter contains information about property tax exemptions and tax deferrals that may help you reduce or defer real estate taxes.

The City continues to offer one of the most generous tax exemption programs in the Commonwealth. Each year, the City Council votes to double the value of the statutory exemptions, and to index income and asset levels to keep pace with inflation. Cambridge is one of only a handful of municipalities in the Commonwealth that does this.

Additionally, each year the City adopts one of the highest residential exemptions allowed by law. The FY18 residential exemption is \$338,983, which results in a tax bill reduction of \$2,132.20 for owners who reside in their property and file a Massachusetts income tax return using that address.

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,

Louis A. DePasquale
City Manager



Department of Human Services Book Bike Program

Mark your calendar!

- If you do not receive your tax bill by **November 8, 2017**, please contact the Finance Department at 617-349-4220 or treasurer@cambridgema.gov
- First Half Tax Bills Due: **November 27, 2017**
- Abatement Applications Due: **November 27, 2017**
- Exemption Applications Due: **April 2, 2018**

**Next Participatory Budgeting Vote
December 2-8, 2017!**

Visit pb.cambridgema.gov for more information.



Elderly, Veteran, and Other Statutory Exemptions

A variety of statutory exemptions are available to reduce property tax obligations for certain qualifying taxpayers: 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 servicemembers.

Applications for FY18 statutory exemptions are due no later than April 2, 2018 (MGL Ch.59, S.5, effective 11/7/2016)

General Qualifications for Exemptions: Applicants must meet age and residency qualifications as of July 1, 2017. 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), and in Massachusetts, the property must have been the applicant's place of domicile for the preceding ten 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 arrangements may affect qualification for a statutory exemption. 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

Consult your attorney if these requirements pertain to you. 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, 2017	Maximum Income*	Maximum Assets*	Exemption Amount
ELDERLY				
17D	Over age 70 surviving spouse	No Maximum	\$62,205	\$314-\$628
41C	Over age 65-single	\$25,721	\$51,439	\$1,000-\$2,000
41C	Over age 65-married	\$38,582	\$70,730	\$1,000-\$2,000
VETERAN				
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 a 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 and surviving spouse	No Maximum	No Maximum	Full
OTHER				
17D	Surviving spouse or orphaned minor children	No Maximum	\$62,205	\$314-\$628
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.

Residential Exemption

More than 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, 2017. 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 2, 2018**. 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 Deferral. 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 deferral applies to all outstanding property taxes of qualifying guardsmen or reservists and their dependents, regardless of when the taxes are due.

Senior & Valor Act Veteran Work Program

The Department of Human Services (DHSP) offers positions to Cambridge seniors to work up to 75 hours during the year. Duties include assisting in senior center activities, mailings, and other office tasks. All work is performed onsite at the Senior Centers. Senior qualification guidelines include being a Cambridge resident, age 60 or older, and meeting the Cambridge Housing Authority's income guidelines.

The program serves seniors who are either homeowners or renters. Veteran qualification guidelines under the Valor Act are available from the Board of Assessors.

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 FY18 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 Assessor's website.

Guidelines:

- Applicant must own and occupy the property as their primary residence as of January 1, 2017.
- Applicant and each co-owner must have household income for the calendar year before January 1, 2017, at or below the limit for that owner's household size and type.

The table below shows the limits by household type:

Household Size (# persons)	Senior Household	Non-Senior Household
1 person	\$72,400	\$57,920
2 people	\$82,800	\$66,240
3 people	\$93,100	\$74,480
4 people	\$103,400	\$82,720
5 people	\$111,700	\$89,360
6 people	\$120,000	\$96,000
7 people	\$128,300	\$102,640
8 people	\$136,500	\$109,200

Note: The annual income limits are based on the median income for the Boston area, set by the US Department of Housing and Urban Development, and income limits are based on inclusionary housing program guidelines. If your household is larger than five persons, please contact the Assessing Department for the formula.

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 returns (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.



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617-349-4300 • cambridgema.gov
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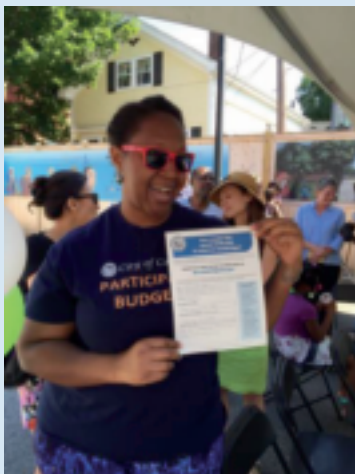
Property Value Information:

Property Value Information: Assessing Department,
617-349-4343, cambridgema.gov/assess

Tax Bill Information: Finance Department,
617-349-4220, cambridgema.gov/finance

Expenditure/Revenue Information: Budget Office,
617-349-4270, cambridgema.gov/budget

General Information: City Manager's Office,
617-349-4300, cambridgema.gov/citymanager



Participatory Budgeting Outreach

Questions on your tax bill or assessment?

Email us at:

Treasurer@cambridgema.gov

Assessors@cambridgema.gov



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Cambridge Common