

# Town of Lexington



# Property Tax Relief Programs

## Fiscal Year 2024

Lexington Board of Assessors

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# Local Property Tax Exemption Overview

## Qualifications:

- Qualification date is July 1, 2023 for Exemptions except the Community Preservation Act Surcharge Exemption which is January 1, 2023
- Must Own the Property
  - If the property is in a trust applicant must provide a copy of the trust and be a Trustee and have Beneficial Interest
- Must Occupy the Property as your Domicile and Primary Residence
- Must Meet Status Requirements (see Chart on page 2 or detailed Exemption pages)

## Application Deadline:

- April 1, 2024

## Questions?

- Please call 781-698-4578 or email [TAO@Lexingtonma.gov](mailto:TAO@Lexingtonma.gov)

# Overview of Exemptions

Type of Exemption	Minimum Age	Ownership/ Domiciliary Requirements	Means Test	Additional Documents	Amount of Exemption
Elderly Person 65 or Older (Clause 41C)	65	Owned and Occupied as Primary Residence for Past 10 Years	See page 3 and 4	Contact Assessor's Office	\$2,000
Elderly Person 70 or Older, Surviving Spouse who has not remarried, or Minor Child of Deceased Parents (Clause 17D)	70	Owned and Occupied as Primary Residence for Past 5 Years	Assets only, not including Primary Residence must not exceed \$40,000	Contact Assessor's Office	\$350
Disabled Veterans (Clauses 22 and 22A-F)	N/A	See page 5	N/A	Contact Assessor's Office	See page 5
Blind Person (Clause 37A)	N/A	Owned and Occupy as Primary Residence as of July 1, 2023	N/A	A Registered Certificate from the Mass Commission for the Blind	\$1,000
Surviving Spouse of Police Officer or Firefighter (Clause 42)	N/A	Owned and Occupy as Primary Residence as of July 1, 2023	N/A	Contact Assessor's Office	Full Amount
Hardship Exemption (Clause 18)	Contact the Assessor's Office				
Temporary Tax Deferral (Clause 18A)	Contact the Assessor's Office				
Tax Deferral (Clause 41 A)	65	Owned and Occupied as Primary Residence for Past 10 Years	See page 6	Contact Assessor's Office	Up to Full Amount
Community Preservation Act Surcharge Exemption Clause 44B)	N/A	Owned and Occupy as Primary Residence as of January 1, 2023	See page 7	Contact Assessor's Office	Full Amount
N/A- Not Applicable					

# Property Tax Exemption for Person 65 and older

## (Clause 41C)

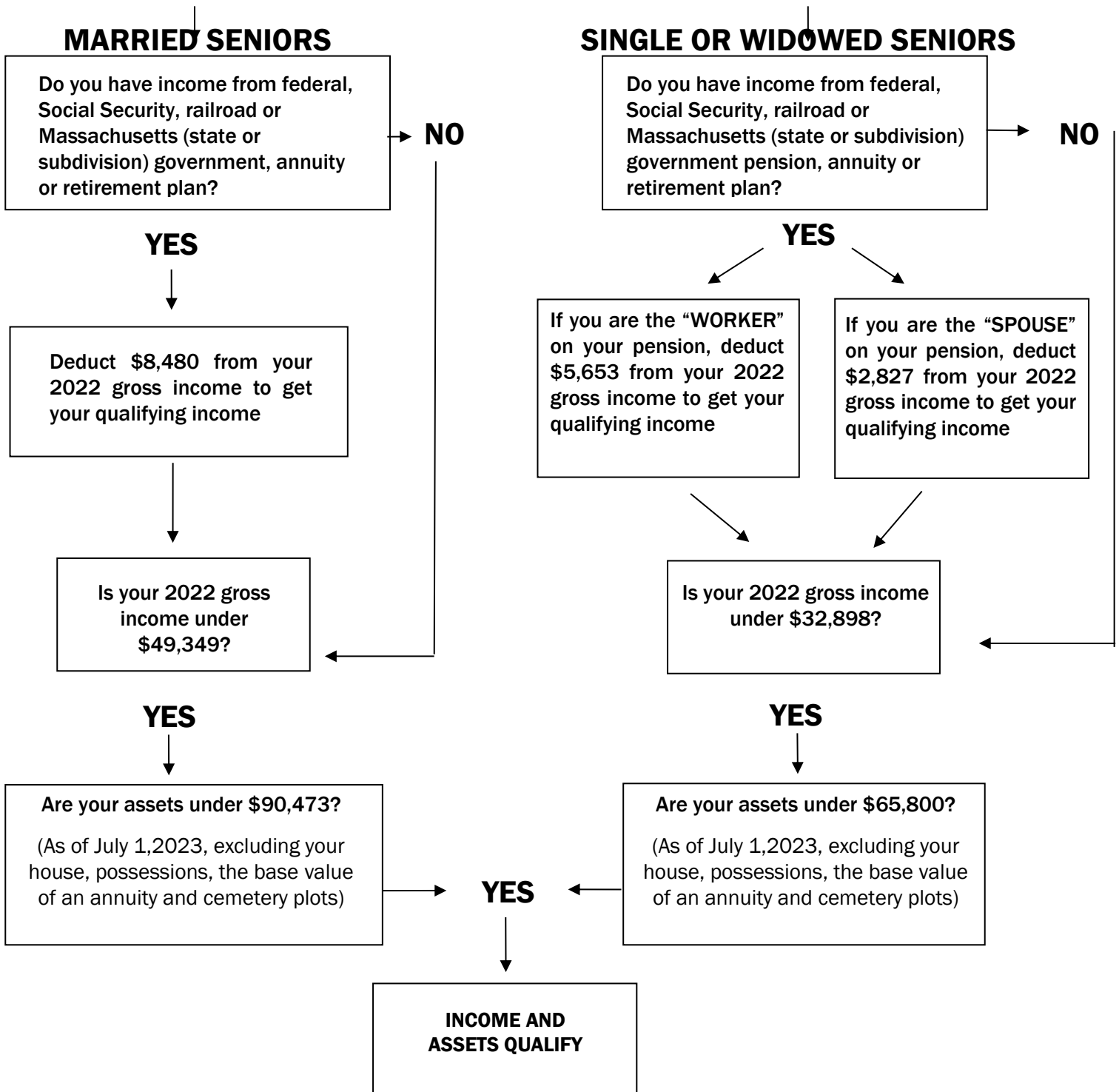
**If your income and assets are low to moderate,  
you may qualify for a \$2,000 exemption from your Property Tax**

<b>Age</b>	You or your spouse must be 65 or older on July 1, 2023 for Fiscal Year 2024
<b>Benefit</b>	\$2,000 reduction in property tax. Does not have to be repaid.
<b>Income</b>	<ul style="list-style-type: none"> <li>• Your Calendar 2022 Income for the Fiscal Year 2024 exemption is used.</li> <li>• Your total gross income must be under <b>\$32,898*</b> for single, and <b>\$49,349*</b> for married (after the Social Security Deduction*).</li> </ul> <p>* 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.</p> <ul style="list-style-type: none"> <li>- The FY2024 “Social Security Deduction” is for a: <ul style="list-style-type: none"> <li>Worker: <b>\$5,653</b>; Spouse: <b>\$2,827</b> as determined annually by the state.</li> </ul> </li> </ul> <p><b>See worksheet on next page.</b></p>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Your Whole Estate must be under <b>\$65,800</b> for single homeowners, and <b>\$90,473</b> for married homeowners.</li> <li>• Whole Estate includes: <ul style="list-style-type: none"> <li>- Total of all savings accounts, checking accounts, certificates of deposit, IRA accounts, stocks and bonds as of July 1, 2023</li> <li>- Any real estate other than your Lexington primary residence.</li> </ul> </li> <li>• Your primary residence, personal effects, motor vehicles and cemetery plots are not counted or included.</li> </ul>
<b>Ownership and Residency</b>	<ul style="list-style-type: none"> <li>• Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2023.</li> <li>• You must have <i>owned and occupied</i> your current home for the past five years as of July 1, 2023.</li> <li>• If your home is held in trust, on or before July 1, 2023, 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.</li> </ul>
<b>To Apply</b>	<ul style="list-style-type: none"> <li>• Contact the Assessor’s office at 781-698-4578 for an application.</li> <li>• The filing <b>deadline</b> for FY2024 is <b>April 1<sup>st</sup> 2024</b>.</li> </ul>

**Income and Asset limits are determined annually with a cost of living adjustment**

\*Further limitations may apply. Contact Assessor’s Office for complete details or visit [www.lexingtonma.gov/assessor](http://www.lexingtonma.gov/assessor) 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.

# Do you qualify for the Property Tax Exemption for Person 65 and older (Clause 41C)?



# Property Tax Exemptions for Veterans

**Benefits Service-Connected Disabled Veterans Honorably-Discharged, who were Massachusetts residents for six months prior to entering service or have resided in the commonwealth for three years or if deceased, the three years before death before the tax year begins. \***

**Exemptions are based on Veterans status as of July 1, 2023**

<p><b>Clause 22</b></p>	<ul style="list-style-type: none"> <li>• (a) Veterans with a service-connected disability of 10% or more.</li> <li>• (b) Veterans of certain pre-World War I conflicts.</li> <li>• (c) Veterans awarded the decoration Purple Heart. No evidence of disability.</li> <li>• (d) <b>Spouses</b> (when property is owned by spouse, not veteran), and <b>surviving spouses</b> of Clause 22(a)-(c) veterans who <b>remain unmarried</b>, OR of a soldier/sailor who died serving in certain 22(b) pre-World War I conflicts.</li> <li>• (e) Gold Star Parents of soldiers or sailors who lost their lives in service. Natural, adopting, and parents who stood in loco parentis for one year prior to the time that the deceased entered service qualify. To establish status as in loco parentis, affidavits from two disinterested parties who are not relatives must be submitted.</li> <li>• (f) Surviving spouses of World War I veterans whose whole estate, less mortgage balance on the property does not exceed \$20,000.</li> </ul>	<p>\$800.</p>
<p><b>Clause 22A</b></p>	<ul style="list-style-type: none"> <li>• Veterans and their spouses by reason of injury received <b>OR</b> disease contracted in such service or in the line of duty, lost or have suffered permanent loss of use of one foot, or one hand, or loss of sight of one eye.</li> <li>• Prisoner of war (POW).</li> <li>• Veteran recipients of the Congressional Medal of Honor, The Distinguished Service Cross, the Air Force Cross or the Navy Cross.</li> <li>• Benefit continues for <b>surviving spouses who remain an owner and occupant</b>.</li> </ul>	<p>\$1,500.</p>
<p><b>Clause 22B</b></p>	<ul style="list-style-type: none"> <li>• Veterans and their spouses who suffered in the line of duty the loss or permanent loss of use of both feet, both hands or both eyes.</li> <li>• Benefit continues for <b>surviving spouses who remain an owner and occupant</b>.</li> </ul>	<p>\$2,500.</p>
<p><b>Clause 22C</b></p>	<ul style="list-style-type: none"> <li>• Veterans and their spouses who suffered total disability in the line of duty and who have received assistance in acquiring "specially adapted housing" which they own &amp; occupy as their domicile.</li> <li>• Benefit continues for <b>surviving spouses who remain an owner and occupant</b>.</li> </ul>	<p>\$3,000.</p>
<p><b>Clause 22D</b></p>	<ul style="list-style-type: none"> <li>• Surviving spouses who (<b>remain unmarried</b>) of soldiers, sailors, guardsmen and veterans who during <b>active duty</b> regardless of when had suffered an injury or illness which was a proximate cause of death or became missing in action with a presumptive finding of death.</li> </ul>	<p>100%</p>
<p><b>Clause 22E</b></p>	<ul style="list-style-type: none"> <li>• Veterans who as a result of disability contracted in such service and in the line of duty have a rating of 100% combined service evaluation, or considered totally and permanently disabled. Annual VA Certificate is required.</li> <li>• Benefit continues for <b>surviving spouses who remain an owner and occupant</b>. (Annual VA Certificates are not required of a surviving spouse).</li> </ul>	<p>\$2,000.</p>
<p><b>CLAUSE 22F</b></p>	<ul style="list-style-type: none"> <li>• Paraplegic Veterans by reason of injury received in such service and in the line of duty <b>OR</b> have disability rating of 100% for <b>service-connected blindness</b>.</li> <li>• Benefit continues for <b>surviving spouses who remain an owner and occupant</b>.</li> </ul>	<p>100%</p>

# Property Tax Deferral (Clause 41A)

and associated Water and Sewer Deferrals under Ch. 40, Sec. 42J and Ch. 83, Sec. 16G

<b>Age</b>	You <b>OR</b> your spouse must be 65 or older on July 1, 2023 for the Fiscal Year 2024.
<b>Benefit</b>	<ul style="list-style-type: none"> <li>• Payment of any or all of your property tax and water/sewer charges can be postponed until the home is sold, conveyed, transferred to a trust, you or your surviving spouse die, or until you choose to pay off the deferral.</li> <li>• You can never be forced to move or sell your home under this program.</li> <li>• Use any single property tax exemption for which you qualify <u>first</u> and then defer all or part of the rest of your property tax.</li> <li>• <b>The fixed interest rate for FY2024 Deferrals is 4.93% (simple interest)</b></li> </ul>
<b>Income and Assets</b>	<ul style="list-style-type: none"> <li>• Up to \$96,000 gross income, married or single is based on Calendar 2022 income.</li> <li>• No asset restrictions.</li> </ul>
<b>Ownership and Residency</b>	<ul style="list-style-type: none"> <li>• Massachusetts must have been your state of primary residence for the past 10 years as of July 1, 2023.</li> <li>• You must have owned and occupied a home anywhere in Massachusetts for the past five years as of July 1, 2023.</li> <li>• Please note: Every other person with any legal or beneficial interest in the property must give written approval for the deferral (e.g. co-owners, banks that hold a mortgage, home equity loan, second mortgage, etc.) via a Tax Deferral and Recovery Agreement.</li> </ul>
<b>Other limits</b>	<ul style="list-style-type: none"> <li>• Property taxes can be deferred to a maximum cumulative total of half the value of your home.... many decades of potential deferral.</li> <li>• Upon the transfer, or sale of the home's ownership, <b>the annual interest rate on the amounts owed will increase to 16% until repaid.</b></li> <li>• Upon the death of you and your surviving spouse, <b>the annual interest rate increase to 16% until repaid is delayed for a one year grace period.</b></li> </ul>
<b>To apply</b>	<ul style="list-style-type: none"> <li>• Contact the Assessor's office at 781-698-4578.</li> <li>• The filing <b>deadline</b> for FY2024 is <b>April 1<sup>st</sup> 2024.</b></li> <li>• After qualifying for the Property Tax Deferral, you may contact the Select Board at 781-698-4580 to apply for deferral of water/sewer charges.</li> </ul>

## How it works:

- Each year's deferral is like an individual loan for that year's tax amount at that year's interest rate. It is a fair rate, generally 3% below the Prime Rate, and by law, can never be higher than 8%. During your lifetime and that of your surviving spouse, and as long as you own your home, the interest for the amount you defer in FY2024 will never be higher than **<< 4.93% >>**. Last year's Simple Interest Rate was 1.00%.
- As long as you or your surviving spouse continue to qualify, you may enter into new deferral agreements for any subsequent year's property tax and water/sewer charges at the interest rate set for that year.

## 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 and water/sewer charges will allow you to enjoy the use of thousands of dollars that would otherwise have gone to paying those bills.



# The Community Preservation Act Surcharge Exemption

<b>Benefit</b>	100% exemption from the Community Preservation Act Surcharge																													
<b>Gross Income</b>	<p><b>FY 2024 Income Limit*</b></p> <ul style="list-style-type: none"> <li>• Use your Calendar 2022 household income to qualify</li> <li>• Household income includes income of all <b>owners</b> and all <b>household members</b></li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Household Size</th> <th>Non-Senior Homeowner (under age 60)</th> <th>Senior Homeowner (60 or older)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$ 83,600</td> <td>\$ 104,500</td> </tr> <tr> <td>2</td> <td>\$ 95,550</td> <td>\$ 119,450</td> </tr> <tr> <td>3</td> <td>\$107,500</td> <td>\$ 134,350</td> </tr> <tr> <td>4</td> <td>\$119,400</td> <td>\$ 149,300</td> </tr> <tr> <td>5</td> <td>\$129,000</td> <td>\$ 161,250</td> </tr> <tr> <td>6</td> <td>\$138,550</td> <td>\$ 173,200</td> </tr> <tr> <td>7</td> <td>\$148,100</td> <td>\$ 185,150</td> </tr> <tr> <td>8</td> <td>\$157,650</td> <td>\$ 197,100</td> </tr> </tbody> </table>			Household Size	Non-Senior Homeowner (under age 60)	Senior Homeowner (60 or older)	1	\$ 83,600	\$ 104,500	2	\$ 95,550	\$ 119,450	3	\$107,500	\$ 134,350	4	\$119,400	\$ 149,300	5	\$129,000	\$ 161,250	6	\$138,550	\$ 173,200	7	\$148,100	\$ 185,150	8	\$157,650	\$ 197,100
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\*Income limits are adjusted annually, based on the local area median income as annually published by United States Department of Housing and Urban Development.

Further limitations may apply. Contact Assessor's Office for complete details or visit [www.lexingtonma.gov/assessor](http://www.lexingtonma.gov/assessor)

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.

## Administered by the Lexington Council on Aging

### Senior Service Program

A limited number of low-to-moderate income seniors with needed skills can provide service to the town in exchange for a reduction to their property tax.

- Age 60 and older
- Income up to \$90,000 per household (regardless of single or married status)
- Selective program matches skill and ability to department needs
- Maximum credit a household may earn is \$1,755 (regardless of single or married status)

Contact Human Services, located at the Lexington Community Center 39 Marrett Rd Lexington, at 781-698-4840 for more information

## Administered by the State of Massachusetts

### 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. Contact the Department of Revenue at 617-887-MDOR (617-887-6367) or [www.dor.state.ma.us](http://www.dor.state.ma.us) for more information.

Lexington's Human Service Department provides trained tax advisors during the tax filing season to help you to apply for this benefit.

Contact Human Services, located at the Lexington Community Center 39 Marrett Rd Lexington, at 781-698-4840 for more information.