

Filing for a Deferred Tax Program

The State offers a Deferred Tax Program for people on fixed or limited incomes. Many retirees opt for this plan. The stipulations are straight forward. as follows:

1. You or your spouse (or single individual) must be 65 yrs by July 1st of the tax year.
2. You must have lived in Massachusetts for the preceding 10 years.
3. You must have owned and occupied your domicile in Massachusetts for a minimum of 5 years
4. If single, your gross receipts per year from all sources cannot exceed \$20,000.
5. If married, your gross receipts per year from all sources cannot exceed \$30,000
6. You can defer your property taxes up to 50% of your proportional share of the fair cash value of your property.
7. If one of you has passed away, the surviving spouse who qualifies may continue the deferral but must establish a new tax deferral and recovery agreement.

Each year, apply at the Assessor's office to fill out forms, one of which is a lien that will be filed at the Registry of Deeds. This lien is just a guarantee to the town that taxes will eventually be paid. It cannot be used to put you out of your home, but insures that your home will never be forfeited due to back taxes.

The reapplication is done each year that you chose to remain in the program. The deferred taxes will not be due until the property title is transferred either by sale to a buyer or probate to an heir. At that time, the outstanding taxes are paid back to the town plus 8% interest, annually (not compounded). You have the option of skipping some years, deferring only a portion or deferring the taxes in full, that can be tailored to your personal preference.

You will still be able to receive any Veteran, Elderly or other abatements that you may be eligible for. When you apply, the deduction will be credited to your deferred account.

Basically, you are drawing from your home's increased value and this enables you to conserve your retirement income for living expenses. Since you are allowed up to 50% of the assessed value of your home and with the property value increase, it is doubtful that you will ever reach that limit. Your heirs will still enjoy an inheritance and you reap the benefits of your property investment now.

If interested, make an appointment with the Assessor's office to go over all the details of this program and fully understand your rights. All information is covered by the Privacy Act and remains confidential. The deadline for registering for each fiscal year's billing is April 1st.