

Detailed Information for Fiscal Year 2016

Property Tax Deferrals (Clause 41A)

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

LET THE VALUE OF YOUR HOUSE PAY YOUR PROPERTY TAX

AGE

- You or your spouse must be 65 or older on July 1, 2015 for the Fiscal Year 2016
-

BENEFIT

- 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.
 - You never can be forced to move or sell your home under this program.
 - Use any single property tax exemption for which you qualify first and then defer all the part of the rest of your property tax.
 - The fixed interest rate of FY2016 deferrals is 0.18% (simple interest)
-

INCOME AND

ASSETS

- Up to \$20,000 gross income, married or single based on 2015 income.
 - No asset restrictions
-

OWNERSHIP

AND

RESIDENCY

- Massachusetts must have been your state of primary residence for the past 10 years as of July 1, 2015.
 - You must have owned and occupied a home anywhere in Massachusetts for the past five years as of July 1 2015.
 - 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 Agreement Form.
-

Other

Limits

- Property taxes can be deferred to a maximum cumulative total of half the value of your home. many decades of potential deferral.
 - Upon the death of you or your surviving spouse or upon the transfer of the home's ownership, the annual interest rate on the amounts owned will increase to 16% until paid.
-

To Apply

- Contact the Board of Assessors 508-248-2233. Filing deadline for FY2016 is three months after the first actual tax bill is mailed (on or about Jan. 1st).
- After qualifying for the Property Tax Deferral, contact the Water/Sewer Commissions at
- 508-248-2953 to apply for deferral of water/sewer charges

How it works:

- Each year's deferral is like an individual loan for that year's tax amount and 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 as long as you own your home, the interest for the amount for the amount you defer in FY2016 will never be higher than 0.18%
- As long as you or your surviving spouse continue to qualify, you may enter into a new deferral agreement for any subsequent year's property tax and water/sewer charges at the interest rate set for that year.

Why is this 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.